

BOROUGH OF WOODLAND PARK

**Financial Statements with
Supplementary Information
December 31, 2012**

(With Independent Auditor's Reports Thereon)

BOROUGH OF WOODLAND PARK
Table of Contents

Part I

<u>Exhibit</u>		<u>Page</u>
	Independent Auditors' Report	1-4
	<u>FINANCIAL STATEMENTS</u>	
	<u>Current Fund</u>	
A	Comparative Balance Sheet - Regulatory Basis	5-6
A-1	Comparative Statement of Operations and Changes in Fund Balance - Regulatory Basis	7-8
A-2	Statement of Revenues - Regulatory Basis	9-11
A-3	Statement of Expenditures - Regulatory Basis	12-19
	<u>Trust Funds</u>	
B	Comparative Balance Sheet - Regulatory Basis	20-21
	<u>General Capital Fund</u>	
C	Comparative Balance Sheet - Regulatory Basis	22
C-1	Comparative Statement of Fund Balance- Regulatory Basis	23
	<u>Water Utility Operating Fund</u>	
D	Comparative Balance Sheet - Regulatory Basis	24-25
D-1	Statement of Operations and Changes in Fund Balance - Regulatory Basis	26
D-2	Statement of Revenues - Regulatory Basis	27
D-3	Statement of Expenditures - Regulatory Basis	28
	<u>Payroll Account</u>	
E	Comparative Balance Sheet - Regulatory Basis	29
	<u>General Fixed Assets Account Group</u>	
F	Comparative Statement of General Fixed Assets - Regulatory Basis	30
	Notes to Financial Statements	31-60
	Supplementary Data and Schedules	61-63

BOROUGH OF WOODLAND PARK
Table of Contents, Continued

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>SUPPLEMENTARY INFORMATION</u>	
	<u>Current Fund</u>	
A-4	Schedule of Cash-Collector-Treasurer	64-65
A-5	Schedule of Cash-Change Fund	66
A-6	Schedule of Amount Due from/(to) State of New Jersey for Senior Citizens' and Veterans' Deductions	67
A-7	Schedule of Taxes Receivable and Analysis of Property Tax Levy	68
A-8	Schedule of Property Acquired for Taxes (at Assessed Valuations) and Analysis of Balance	69
A-9	Schedule of Revenue Accounts Receivable	70
A-10	Schedule of Deferred Charges	71
A-11	Schedule of Deferred Charges - N.J.S. 40A:4-55 Special Emergency	72
A-12	Schedule of Interfunds	73
A-13	Schedule of Appropriation Reserves	74-76
A-14	Schedule of Accounts Payable	77
A-15	Schedule of Reserve for Library State Aid	77
A-16	Schedule of Prepaid Taxes	78
A-17	Schedule of Tax Overpayments	78
A-18	Schedule of Road Opening Deposits	79
A-19	Schedule of County Taxes Payable	79
A-20	Schedule of Amount Due County for Added Taxes	80
A-21	Schedule of Local District School Tax	80
A-22	Schedule of Regional High School Tax	81
A-23	Schedule of Various Reserves	82
A-24	Schedule of Special Emergency Note Payable	83
A-25	Schedule of Due to/(from) Current Fund - Federal and State Grant Fund	84
A-26	Schedule of Grants Receivable	85
A-27	Schedule of Appropriated Reserves - Federal and State Grants	86-87

BOROUGH OF WOODLAND PARK
Table of Contents, Continued

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
<u>SUPPLEMENTARY INFORMATION</u>		
<u>Trust Funds</u>		
B-1	Schedule of Cash - Treasurer	88
B-2	Schedule of Assessments Receivable	89
B-3	Schedule of Reserve for Assessments	90
B-4	Schedule of Amount Due from/(to) the State of New Jersey - Trust Funds	91
B-5	Schedule of Due from/(to) Current Fund	92
B-6	Schedule of Community Development Block Grants Receivable	93
B-7	Schedule of Reserve for Dog Fund Expenditures	94
B-8	Schedule of Reserve for Expenditures – Other Trust Funds	95
B-9	Schedule of Reserve for New Jersey Unemployment Compensation Insurance Fund	96
B-10	Schedule of Reserve for Community Development Block Grants	97
B-11	Statement of Service Award Contributions Receivable	98
B-12	Statement of Net Assets Available for Benefits	99
<u>General Capital Fund</u>		
C-2	Schedule of Cash - Treasurer	100
C-3	Analysis of Cash	101
C-4	Schedule of Deferred Charges to Future Taxation - Funded	102
C-5	Schedule of Deferred Charges to Future Taxation - Unfunded	103
C-6	Schedule of Grants Receivable - State Department of Transportation	104
C-7	Schedule of Grants Receivable - Department of Agriculture	105
C-8	Schedule of NJ Wastewater Trust Fund - Loans Receivable	105
C-9	Schedule of Community Development Block-Grant Receivable	106
C-10	Schedule of Capital Improvement Fund	107
C-11	Schedule of Improvement Authorizations	108
C-12	Schedule of Reserve for Encumbrances	109
C-13	Schedule of Reserve for Payment of Debt	110
C-14	Schedule of Bond Anticipation Notes	111
C-15	Schedule of General Serial Bonds	112
C-16	Schedule of Capital Leases Payable	113
C-17	Schedule of Environmental Infrastructure Fund Loans Payable	114-115
C-18	Schedule of Environmental Infrastructure Trust Loans Payable	116
C-19	Schedule of Bonds and Notes Authorized But Not Issued	117

BOROUGH OF WOODLAND PARK
Table of Contents, continued

Part I, (continued)

<u>Exhibit</u>		<u>Page</u>
	<u>Water Utility Fund</u>	
D-4	Schedule of Cash - Treasurer	118
D-5	Analysis of Cash	119
D-6	Schedule of Deferred Charges - Emergency Authorizations	120
D-7	Schedule of Consumers' Accounts Receivable	121
D-8	Schedule of Due from New Jersey Environmental Infrastructure Trust - Unexpended Loan Proceeds - Project Credits Receivable	122
D-9	Schedule of Fixed Capital	123
D-10	Schedule of Fixed Capital Authorized and Uncompleted	124
D-11	Schedule of 2011 Appropriation Reserves	125
D-12	Schedule of Reserve for Outside Liens	126
D-13	Schedule of Overpayments	126
D-14	Schedule of Accrued Interest on Bonds	127
D-15	Schedule of Improvement Authorizations	128
D-16	Schedule of Capital Improvement Fund	129
D-17	Schedule of Down Payments on Improvements	129
D-18	Schedule of Reserve for Amortization	130
D-19	Schedule of Reserve for Payment of Debt	131
D-20	Schedule of Water Utility Serial Bonds	132
D-21	Schedule of Environmental Infrastructure Trust Fund Loans Payable	133
D-22	Schedule of Bonds and Notes Authorized But Not Issued	134

BOROUGH OF WOODLAND PARK
Table of Contents, continued

Part I, (continued)

Exhibit

Page

Part II

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	135-136
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04 as Amended	137-139
Schedule of Expenditures of State Awards	140-141
Schedule of Expenditures of Federal Awards	142-143
Notes to the Schedules of Expenditures of Federal and State Awards	144-145
Schedule of Findings and Questioned Costs	146
General Comments	148
Comments	152
Recommendations	153
Status of Prior Years' Audit Findings/Recommendations	154
Acknowledgment	154

BOROUGH OF WOODLAND PARK

PART I

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY DATA

YEAR ENDED DECEMBER 31, 2012

Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Woodland Park
County of Passaic, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Woodland Park in the County of Passaic, as of December 31, 2012 and 2011, the related statement of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Borough's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division"), and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.



The Honorable Mayor and
Members of the Borough Council
Page 2.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Woodland Park on the basis of the financial reporting provisions prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of New Jersey.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Woodland Park as of December 31, 2012 and 2011, or changes in financial position for the years then ended.

Basis for Qualified Opinion on Regulatory Basis Accounting Principles

The Length of Service Awards Program of the Borough of Woodland Park has not been audited, and we were not engaged to audit the Length of Service Awards Program financial statements as part of our audit of the Borough's financial statements.



Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects of the matter described in the “*Basis for Qualified Opinion on Regulatory Basis Accounting Principles*”, the financial statements referred to above present fairly, in all material respects, the regulatory basis balances sheets and account group as of December 31, 2012 and 2011, the regulatory basis statements of operations for the years then ended and the regulatory basis statements of revenues and expenditures for the year ended December 31, 2012 in accordance with the basis of financial reporting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Borough of Woodland Park’s basic financial statements. The supplementary information listed in the table of contents and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 and the letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information listed in the table of contents and the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, the schedule of federal financial awards and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information listed in the table of contents, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance as required by NJ OMB 04-04 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

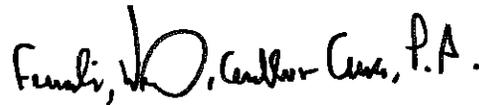
The Honorable Mayor and
Members of the Borough Council
Page 4.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2013 on our consideration of the Borough of Woodland Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Woodland Park's internal control over financial reporting and compliance.



Steven D. Wielkocz, C.P.A.
Registered Municipal Accountant
No. CROO413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

July 12, 2013



BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Current Fund:			
Cash:			
Treasurer	A-4	\$ 5,592,589	3,899,751
Petty Cash		200	200
Change Fund	A-5	<u>310</u>	<u>310</u>
		5,593,099	3,900,261
Receivables and other assets with full reserves:			
Delinquent property taxes receivable	A-7	392,445	847,691
Property acquired for taxes - assessed valuations	A-8	4,072,200	4,072,200
Revenue Accounts Receivable	A-9	24,084	24,289
Interfund Receivables	A-12	45,217	22,785
Prepaid Regional high School Tax	A-22	<u>799</u>	<u>799</u>
		4,534,745	4,967,764
Deferred charges:			
Emergency Appropriations	A-10		304,218
Special Emergency Appropriations	A-11	<u>110,000</u>	<u>180,000</u>
		110,000	484,218
		<u>10,237,844</u>	<u>9,352,243</u>
Federal and State Grant Funds:			
Due from Current Fund	A-25		295,613
Grant Receivable	A-26	<u>683,718</u>	<u>781,106</u>
		683,718	1,076,719
		<u>\$ 10,921,562</u>	<u>10,428,962</u>

BOROUGH OF WOODLAND PARK, N.J.
Comparative Balance Sheet-Regulatory Basis

Current Fund

December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Current Fund:			
Appropriation reserves	A-3,A-13	850,269	723,378
Encumbrances	A-3,A-13	141,787	245,673
Due to State of New Jersey-Senior Citizens	A-6	38,092	25,592
Interfunds Payable	A-12	169,809	295,613
Accounts Payable	A-14		693
Reserve for Library State Aid	A-15	11,354	6,123
Prepaid taxes	A-16	180,049	174,404
Road opening Deposits	A-18	9,800	9,800
County Taxes Payable	A-19		83
Various Reserves	A-23	1,298,833	1,072,084
Emergency Note Payable	A-24	90,000	135,000
		<u>2,789,993</u>	<u>2,688,443</u>
Reserve for receivables		4,534,745	4,967,764
Fund balance	A-1	<u>2,913,106</u>	<u>1,696,036</u>
		<u>7,447,851</u>	<u>6,663,800</u>
		<u>10,237,844</u>	<u>9,352,243</u>
Federal and State Grant Funds:			
Reserve for Encumbrances	A-27	4,923	444,976
Appropriated Reserves	A-27	636,218	631,743
Due to Current Fund	A-25	42,577	
		<u>683,718</u>	<u>1,076,719</u>
		<u>\$ 10,921,562</u>	<u>10,428,962</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenues and other income:		
Fund balance utilized	\$ 1,345,000	1,154,500
Miscellaneous revenue anticipated	2,721,457	2,399,300
Receipts from delinquent taxes	847,690	491,460
Receipts from current taxes	43,002,315	40,353,621
Non-budget revenue	428,601	195,490
Other credits to income:		
Interfunds returned	22,764	3,905
Liabilities cancelled	343	25,676
Tax title lien premiums cancelled due to foreclosure	20,100	
Unexpended balance of appropriation reserves	424,963	381,611
	<hr/>	<hr/>
Total revenues and other income	48,813,233	45,005,563
Expenditures:		
Budget and emergency appropriations:		
Operations:		
Salaries and wages	5,071,978	5,054,592
Other expenses	6,693,313	6,710,085
Municipal debt service	1,504,486	1,413,353
Capital Improvement Fund	100,000	95,000
Deferred charges and statutory expenditures - municipal	1,457,607	1,230,261
County taxes	11,156,933	10,184,065
Due county for added taxes	81,373	49,025
Local district school tax	13,957,972	13,568,121
Regional high school tax	5,986,324	5,636,971
Municipal Open Space Tax	169,268	169,075
Interfund Advanced	42,893	22,785
Current year tax overpayments	23,961	
Refund of prior year's revenue	5,055	
	<hr/>	<hr/>
Total expenditures	46,251,163	44,133,333
Excess (Deficit) in revenues	2,562,070	872,230

BOROUGH OF WOODLAND PARK, N.J.

Comparative Statement of Operations and Changes in Fund Balance-Regulatory Basis

Current Fund

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Adjustment to income before fund balance - expenditures included above which are by statute deferred charges to budget of succeeding year	<u> </u>	<u>304,218</u>
Statutory excess to fund balance	2,562,070	1,176,448
Fund balance, January 1	<u>1,696,036</u>	<u>1,674,088</u>
	4,258,106	2,850,536
Decreased by utilization as anticipated revenue	<u>1,345,000</u>	<u>1,154,500</u>
Fund balance, December 31	<u>\$ 2,913,106</u>	<u>1,696,036</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Fund balance anticipated	\$ 1,345,000	1,345,000	
Miscellaneous revenues:			
Licenses:			
Alcoholic beverages	15,000	23,459	8,459
Other	8,500	45,224	36,724
Fees and permits	40,000	48,019	8,019
Fines and costs - municipal Court	305,000	339,355	34,355
Interest and costs on taxes	100,000	221,892	121,892
Interest on investments and deposits	11,500	309	(11,191)
Cable Television Franchise Fee	45,370	45,370	
Consolidated Municipal Property Tax Relief Aid	113,521	113,521	
Energy Receipts Tax	706,956	706,956	
Watershed Moratorium Offset Aid	6,674	6,674	
Uniform construction code fees	285,000	482,777	197,777
Special items of general revenue anticipated with prior written consent of Director of Local Government Services - Public and Private revenues offset with appropriations:			
Recycling Tonnage Grant	18,336	18,336	
Drunk Driving Enforcement Fund	1,387	1,387	
Clean Communities	16,332	16,332	
Safe and Secure Communities Program	60,000	60,000	
Body Armor	2,777	2,777	
Drive Sober or Get Pulled Over	4,366	4,366	
Alcohol Education Rehabilitation Fund	323	323	
Passaic County Open Space-Dowling Park Fountain	100,000	100,000	
NJ DOT - Overmont Ave	250,000	250,000	
Other special items:			
Uniform Fire Safety Act	20,789	30,495	9,706
Life Hazard Use Fees	21,000	18,932	(2,068)
Reserve for Payment of Debt	100,000	100,000	
Insurance Reimbursements Hurricane Irene	23,000	23,000	
FEMA Hurricane Irene	7,400	7,803	403
Sewer Connection Fees	59,000	54,150	(4,850)
Total miscellaneous revenues	2,322,231	2,721,457	399,226

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Receipts from delinquent taxes	400,000	847,690	447,690
Subtotal general revenues	4,067,231	4,914,147	846,916
Amount to be raised by taxes for support of municipal budget - local tax for municipal purposes including reserve for uncollected taxes	10,889,902		
Minimum Library Tax	585,150	11,887,629	412,577
Budget totals	15,542,283	16,801,776	1,259,493
Non-budget revenue		428,601	
	<u>\$ 15,542,283</u>	<u>17,230,377</u>	<u>1,259,493</u>
Adopted Budget	15,105,093		
Appropriated by N.J.S.A. 40A:4-87	437,190		
	<u>\$ 15,542,283</u>		

Analysis of Realized Revenues

Allocation of current tax collections:	
Revenue from collections	43,002,315
Allocated to local school, regional high school and county taxes	31,824,686
Balance for support of municipal budget appropriations	11,177,629
Add appropriation reserve for uncollected taxes	710,000
Budget appropriations	<u>\$ 11,887,629</u>
Receipts from delinquent taxes	
Delinquent tax collections	<u>\$ 847,690</u>

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues-Regulatory Basis

Current Fund

Year ended December 31, 2012

	<u>Budget</u>	<u>Realized</u>	<u>Excess (deficit)</u>
<u>Analysis of Non-budget Revenues</u>			
Miscellaneous revenues not anticipated:			
Sale of Property		2,246	
Stickers		335	
Tax Searches		360	
Miscellaneous		5,593	
Duplicate Bills		476	
Telephone Revenue		19,958	
Street Lighting - County		6,424	
FEMA Reimbursement		264,743	
Police Outside Duty Administrative Fee		24,018	
Insurance Refund		46,962	
Reimbursement 531 McBride Ave		14,900	
Property Lease		650	
Insurance Reimbursement		4,800	
T-Mobile Tower Rental		22,415	
Passaic Valley sewer Commission		2,014	
Seniors and Veterans Administrative Fee		2,630	
Scrap Metal		9,340	
Recycling Bags		737	
		<u>428,601</u>	
		\$	<u>428,601</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
General Government:					
Administration:					
Salaries and Wages	\$ 261,127	267,127	266,970	157	
Other Expenses	44,000	59,000	54,496	4,504	
Mayor and Council:					
Salaries and Wages	50,001	50,001	49,842	159	
Elections:					
Other Expenses	8,000	8,000	6,970	1,030	
Financial Administration:					
Salaries and Wages	64,851	66,501	66,496	5	
Other Expenses					
Annual Audit	69,250	69,250	11,300	57,950	
Miscellaneous Other Expenses	85,000	65,000	42,855	22,145	
Cost of Registration of Bonds	1,000				
Collection of Taxes:					
Salaries and Wages	42,284	40,084	40,009	75	
Other Expenses	15,000	15,000	13,955	1,045	
Liquidation of Tax Title Liens and Foreclosed Property:					
Other Expenses	500				
Assessment of Taxes:					
Salaries and Wages	34,255	33,055	32,042	1,013	
Other Expenses	40,000	92,000	80,026	11,974	
Legal Services and Cost:					
Salaries and Wages	5,066	3,274	3,274	0	
Other Expenses	95,000	112,647	102,789	9,858	
Planner- Mt. Laurel Litigation	5,500	5,500	1,400	4,100	
Engineering Services and Costs:					
Other Expenses	30,000	30,000	27,492	2,508	

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Land Use Law (N.J.S.A. 40:55D-1 et seq.)					
Planning Board:					
Salaries and Wages	8,574	8,639	8,639		
Other Expenses	5,100	11,100	10,873	227	
Zoning Board of Adjustment:					
Salaries and Wages	7,385	6,485	6,472	13	
Miscellaneous Other Expenses	3,100	4,000	3,205	795	
Insurance:					
Other Insurance Premiums	669,288	648,060	648,060		
Surety Bond Premiums	4,500	3,130	3,129	1	
Group Insurance Plan for Employees	1,603,344	1,548,344	1,545,572	2,772	
Public Safety:					
Police:					
Salaries and Wages	2,998,844	2,957,844	2,767,197	190,647	
Other Expenses	108,000	113,100	111,128	1,972	
Maintenance of Fire Alarm System:					
Salaries and Wages	3,317	3,317	3,316	1	
Other Expenses	5,000	5,000	4,942	58	
Emergency Management Services:					
Salaries and Wages	5,389	5,389	5,389		
Other Expenses	5,360	13,360	12,119	1,241	
First Aid Organization-Contribution	19,539	19,539	19,539		
Fire:					
Clothing Allowance	52,339	52,339	52,339		
Miscellaneous Other Expenses	65,903	65,903	61,128	4,775	
Uniform Fire Safety Act: (P.L. 1983 Chap. 383)					
Salaries and Wages	15,082	18,282	16,265	2,017	
Life Hazard Use Fee Payments:					
Salaries and Wages	32,793	32,793	32,792	1	
Other Expenses	7,000	7,100	6,780	320	

BOROUGH OF WOODLAND PARK, N.J.
Statement of Expenditures - Regulatory Basis
Current Fund
Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Municipal Prosecutor:					
Salaries and Wages	16,120	16,120	16,120		
Public Works Function:					
Road Repairs and Maintenance:					
Salaries and Wages	741,355	710,355	654,695	55,660	
Other Expenses	100,000	131,000	101,685	29,315	
Sanitation:					
Garbage and Trash Removal					
Contract - Collections	794,250	792,171	714,259	77,912	
Recycling:					
Other Expenses	5,000	5,000	1,844	3,156	
Sewer System					
Salaries and Wages	194,000	184,000	179,718	4,282	
Other Expenses	75,000	90,000	81,636	8,364	
Public Buildings and Grounds:					
Salaries and Wages	24,123	24,123	21,632	2,491	
Other Expenses	47,000	47,000	42,708	4,292	
Vehicle Mechanic:					
Salaries and Wages	82,427	85,427	84,357	1,070	
Other Expenses	51,000	43,000	39,160	3,840	
Health and Welfare:					
Board of Health:					
Salaries and Wages	40,376	37,876	37,779	97	
Other Expenses	1,513	1,513	1,314	199	
Health Services - Contractual	12,502	12,502	12,502		
Animal Welfare:					
Other Expenses	16,500	15,500	15,088	412	

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Parks and Recreation:					
West Paterson Youth and Senior Citizens Center:					
Salaries and Wages	19,280	20,480	19,771	709	
Other Expenses	8,500	7,300	1,083	6,217	
West Paterson Boys & Girls Club OE	3,743	3,743	3,743		
Parks and Playgrounds:					
Salaries and Wages	46,560	31,560	20,087	11,473	
Other Expenses	48,000	57,000	56,908	92	
Other Common Unclassified:					
Celebration of Public Events, Anniversary or Holiday Other Expenses	10,000	11,200	11,167	33	
Municipal Court:					
Salaries and Wages	137,448	137,448	135,150	2,298	
Other Expenses	16,650	18,650	16,995	1,655	
Public Defender:					
Salaries and Wages	10,990	10,991	9,720	1,271	
Board of Health - (OSHA):					
Blood Borne Pathogens	500				
Appropriations Offset by Dedicated Revenues (N.J.A.C. 5:23-4.17)					
Uniform Construction Code Officials:					
Salaries and Wages	217,861	213,961	209,122	4,839	
Other Expenses	5,100	6,000	5,615	385	
Plumbing Inspector:					
Salaries and Wages	11,566	11,566	11,565	1	
Fire Protection Official:					
Salaries and Wages	5,367	5,367	5,367		
Building Inspector:					
Salaries and Wages	500				
Other Expenses	1,500	500	118	382	

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Elevator Inspection Fees:					
Other Expenses	19,500	19,500	19,422	78	
Electrical Inspections:					
Salaries and Wages	11,497	11,497	10,352	1,145	
Other Expenses	1,000	1,000	118	882	
Housing Inspector:					
Salaries and Wages	8,415	8,415	7,202	1,213	
Unclassified:					
Electric & Gas	125,000	105,000	94,126	10,874	
Street Lighting	134,000	125,845	80,864	44,981	
Telephone	38,778	38,778	35,630	3,148	
Fire Hydrant Services	35,945	35,945	32,496	3,449	
Gasoline	185,000	185,000	135,883	49,117	
Total Operations within "CAPS"	<u>9,774,557</u>	<u>9,702,497</u>	<u>9,045,801</u>	<u>656,696</u>	
B. Contingent					
Total Operations Including Contingent-within "CAPS"	<u>9,774,557</u>	<u>9,702,497</u>	<u>9,045,801</u>	<u>656,696</u>	
Detail:					
Salaries & Wages	5,096,853	5,001,978	4,721,340	280,638	
Other Expenses (Including Contingent)	4,677,704	4,700,519	4,324,461	376,058	
	<u>9,774,557</u>	<u>9,702,497</u>	<u>9,045,801</u>	<u>656,696</u>	
Deferred Charges and Statutory Expenditures-					
Municipal within "CAPS"					
Deferred Charges					
Statutory Expenditures:					
Contribution to:					
Public Employees' Retirement System	275,039	275,039	275,039		
Social Security System (O.A.S.L.)	214,225	226,225	222,418	3,807	
Police and Firemen's Retirement System of NJ	543,865	543,865	543,865		
Unemployment Compensation Insurance	28,000	38,000	29,506	8,494	
Defined Contribution Retirement Program	200	260	253	7	

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Total Deferred Charged and Statutory Expenditures-Municipal within "CAPS"	<u>1,061,329</u>	<u>1,083,389</u>	<u>1,071,081</u>	<u>12,308</u>	
Total General Appropriations for Municipal Purposes within "CAPS"	<u>10,835,886</u>	<u>10,785,886</u>	<u>10,116,882</u>	<u>669,004</u>	
Operations Excluded from "CAPS"					
Passaic Valley Sewerage Charge	818,543	818,543	818,543		
Stormwater Management - Other Expenses	25,000	25,000	3,000	22,000	
LOSAP Program - Contribution	83,951	83,951	79,170	4,781	
Maintenance of Free Public Library					
Other Expenses	585,150	585,150	527,295	57,855	
Group Health Benefits	<u>96,629</u>	<u>96,629</u>		<u>96,629</u>	
Total Other Operations - Excluded from "CAPS"	<u>1,609,273</u>	<u>1,609,273</u>	<u>1,428,008</u>	<u>181,265</u>	
Public and Private Programs Offset by Revenues					
Clean Communities Program-Recycling:					
Salaries and Wages	10,000	10,000	10,000		
Other Expenses	6,332	6,332	6,332		
Passaic County Open Space					
Dowling Park Development Project	100,000	100,000	100,000		
Body Armor Fund	2,777	2,777	2,777		
NJDOT Overmount Ave Improvements	250,000	250,000	250,000		
Drunk Driving Enforcement Fund	1,387	1,387	1,387		
2012 Drive Sober or Get Pulled Over	4,366	4,366	4,366		
Recycling Tonnage Grant					
Other Expenses	18,336	18,336	18,336		
Safe and Secure Communities					

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Salaries and Wages	60,000	60,000	60,000		
Alcohol Education Rehabilitation & Enforcement Fund	323	323	323		
Total Public and Private Programs Offset by Revenues	453,521	453,521	453,521		
Total Operations-Excluded from "CAPS"	2,062,794	2,062,794	1,881,529	181,265	
Detail:					
Salaries and Wages	70,000	70,000	70,000		
Other Expenses	1,992,794	1,992,794	1,811,529	181,265	
	2,062,794	2,062,794	1,881,529	181,265	
Capital Improvements - Excluded from "CAPS"					
Capital Improvement Fund	50,000	100,000	100,000		
Total Capital Improvements Excluded from "CAPS"	50,000	100,000	100,000		
Municipal Debt Service - Excluded from "CAPS"					
Payment of Bond Principal	700,000	700,000	700,000		
Payment of Bond Anticipation Notes and Capital Notes	125,000	125,000	125,000		
Interest on Bonds	508,966	508,966	508,966		
Interest on Notes	13,000	13,000	12,679		321
Waste Water Treatment Trust Fund:					
Principal	92,402	92,402	92,401		1
Interest	33,704	33,704	29,127		4,577
Bergen County Improvement Authority:					
Principal	15,000	15,000	15,000		
Interest	21,313	21,313	21,313		
Total Municipal Debt Service-Excluded from "CAPS"	1,509,385	1,509,385	1,504,486		4,899

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Current Fund

Year Ended December 31, 2012

	<u>Budget</u>	<u>Budget after Modification and Transfer</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Unexpended Balance Canceled</u>
Deferred Charges - Municipal - Excluded from "CAPS"					
Emergency Authorization	304,218	304,218	304,218		
Special Emergency Authorizations 5 years (N.J.S. 40A:4-55)	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>		
Total Deferred Charges - Municipal - Excluded from "CAP"	<u>374,218</u>	<u>374,218</u>	<u>374,218</u>		
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,996,397</u>	<u>4,046,397</u>	<u>3,860,233</u>	<u>181,265</u>	<u>4,899</u>
Subtotal General Appropriations	<u>14,832,283</u>	<u>14,832,283</u>	<u>13,977,115</u>	<u>850,269</u>	<u>4,899</u>
Reserve for Uncollected Taxes	<u>710,000</u>	<u>710,000</u>	<u>710,000</u>		
Total General Appropriations	<u>\$ 15,542,283</u>	<u>15,542,283</u>	<u>14,687,115</u>	<u>850,269</u>	<u>4,899</u>

Adopted Budget	\$ 15,105,093
Appropriated by N.J.S.A. 40A:4-87	<u>437,190</u>
	<u>\$ 15,542,283</u>

Reserve for Uncollected Taxes	\$ 710,000
Deferred Charges	374,218
Transfer to Reserve for Snow Removal	26,000
Transfer to Celebration of Public Events	8,872
Transferred to Federal and State Grant Fund	453,521
Encumbrances	141,787
Cash	<u>12,972,717</u>
	<u>\$ 14,687,115</u>

See accompanying notes to the financial statements.

Exhibit B

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Assessment Fund:			
Assessment receivable	B-2	\$ <u>6,119</u>	<u>6,119</u>
Dog License Fund			
Cash - Treasurer	B-1	5,105	4,027
Due from State of New Jersey	B-4		<u>30</u>
		<u>5,105</u>	<u>4,057</u>
Other Trust Funds:			
Cash - Treasurer	B-1	651,818	1,033,036
Due from Current Fund	B-5	<u>169,268</u>	<u> </u>
		<u>821,086</u>	<u>1,033,036</u>
New Jersey Unemployment Compensation Insurance Fund			
Cash	B-1	<u>3,273</u>	<u>3,865</u>
Community Development Trust Fund:			
Cash	B-1	100	
Due From Current Fund	B-5	541	
Grants Receivable	B-6	<u>50,059</u>	<u>242,000</u>
		<u>50,700</u>	<u>242,000</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Cash	B-1	775,732	701,704
Service Award Contributions Receivable	B-11	<u>77,952</u>	<u>79,170</u>
		<u>853,684</u>	<u>780,874</u>
		<u>\$ 1,739,967</u>	<u>2,069,951</u>

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Trust Funds

December 31, 2012 and 2011

	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Assessment Fund:			
Reserve for assessments	B-3	<u>6,119</u>	<u>6,119</u>
Dog License Fund:			
Due to State of New Jersey	B-4	3	
Reserve for Dog Fund expenditures	B-7	2,777	4,057
Due to Current Fund	B-5	<u>2,325</u>	<u> </u>
		<u>5,105</u>	<u>4,057</u>
Other Trust Funds:			
Due to Current Fund	B-5	315	21
Reserve for:			
Escrow Fund deposits	B-8	376,720	470,089
Performance Bonds	B-8	57,468	57,353
Drug and Alcohol Alliance	B-8	16,667	4,176
Open Space	B-8	347,428	293,547
Affordable Housing	B-8	198	183,226
Dedicated Fire Penalties	B-8	15,937	11,845
Recreation	B-8	4,867	9,373
POAA	B-8	<u>1,486</u>	<u>3,406</u>
		<u>821,086</u>	<u>1,033,036</u>
Unemployment Compensation Insurance Fund:			
Reserve for New Jersey Unemployment Compensation Insurance Fund	B-9	<u>3,273</u>	<u>3,865</u>
Community Development Trust Fund:			
Due to Current Fund	B-5		22,764
Reserve for Expenditures	B-10	<u>50,700</u>	<u>219,236</u>
		<u>50,700</u>	<u>242,000</u>
Emergency Services Volunteer Length of Service Award Program (unaudited):			
Net Assets Available for Benefits	B-12	<u>853,684</u>	<u>780,874</u>
		<u>\$ 1,739,967</u>	<u>2,069,951</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

General Capital Fund

December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Cash	C-2,C-3	\$ 1,316,059	819,813
Deferred Charges to Future Taxation:			
Funded	C-4	13,564,089	14,371,489
Unfunded	C-5	3,593,079	2,922,079
Grants Receivable:			
Department of Agriculture	C-7	2,298	2,298
Community Development Block Grant	C-9	425,581	
Department of Transportation	C-6	261,189	11,189
Due from NJ Wastewater Trust Fund Loans	C-8	4,326	4,326
		<u>\$ 19,166,621</u>	<u>18,131,194</u>
<u>Liabilities, Reserves and Fund Balance</u>			
Bond Anticipation Notes	C-14	2,200,000	1,025,000
General Serial Bonds Payable	C-15	12,037,000	12,737,000
Capital Leases Payable	C-16	350,000	365,000
New Jersey Wastewater Loan Payable	C-17	497,089	544,489
New Jersey Wastewater Trust Fund Loan Payable	C-18	680,000	725,000
Capital Improvement Fund	C-10	68,961	9,380
Improvement authorization - Funded	C-11	886,884	896,976
Improvement authorization - Unfunded	C-11	1,668,756	1,400,156
Reserve for Encumbrances	C-12	306,304	22,127
Reserve for Payment of Debt	C-13	467,682	406,066
Fund Balance	C-1	3,945	
		<u>\$ 19,166,621</u>	<u>18,131,194</u>

There were bonds and notes authorized but not issued on December 31, 2012 and 2011 of \$1,393,079 and \$1,897,079 (Exhibit C-19).

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparataive Statement of Fund Balance - Regulatory Basis

General Capital Fund

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Increased by:		
Voided Checks	\$ 2,084	
Premiums on Sale of Bond Anticipation Notes	<u>1,861</u>	<u> </u>
Balance, December 31, 2012	<u>\$ 3,945</u>	<u> </u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet - Regulatory Basis

Water Utility Operating Fund

December 31, 2012 and 2011

<u>Assets</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Water Utility Operating Fund:			
Cash - Treasurer	D-4	\$ <u>746,324</u>	<u>762,561</u>
Receivables with full reserves:			
Consumers' accounts receivable	D-7	<u>145,792</u>	<u>119,848</u>
Deferred charges:			
Emergency Appropriation	D-6	<u> </u>	<u>20,000</u>
Total Water Utility Operating Fund		<u>892,116</u>	<u>902,409</u>
Capital Fund:			
Cash - Treasurer	D-4,D-5	887,033	887,033
Due from Infrastructure Trust Fund - Unexpended			
Loan Proceeds - Project Credits Receivable	D-8	128,958	153,958
Fixed Capital	D-9	2,570,311	2,570,311
Fixed Capital Authorized and Uncompleted	D-10	<u>1,081,710</u>	<u>1,081,710</u>
Total Capital Fund		<u>4,668,012</u>	<u>4,693,012</u>
		<u>\$ 5,560,128</u>	<u>5,595,421</u>

BOROUGH OF WOODLAND PARK, N.J.
Comparative Balance Sheet - Regulatory Basis
Water Utility Operating Fund
December 31, 2012 and 2011

<u>Liabilities, Reserves and Fund Balance</u>	<u>Ref.</u>	<u>2012</u>	<u>2011</u>
Water Utility Operating Fund:			
Appropriation Reserves	D-3,D-11	60,392	80,969
Reserve for Encumbrances	D-3	26,928	36,744
Reserve for Outside Liens	D-12	1,911	1,911
Overpayments	D-13	5,607	6,460
Accrued Interest on Bonds	D-14	13,285	14,991
		<u>108,123</u>	<u>141,075</u>
Reserve for receivables	Contra	145,792	119,848
Fund balance	D-1	638,201	641,486
		<u>892,116</u>	<u>902,409</u>
Total Water Utility Operating Fund			
Capital Fund:			
Improvement authorization:			
Funded	D-15	675,213	675,213
Unfunded	D-15	178,649	178,649
Capital Improvement Fund	D-16	37,179	37,179
Infrastructure Trust Loans Payable	D-21	618,219	672,881
Down Payment on Capital Improvements	D-17	1,500	1,500
Serial Bonds Payable	D-20	567,000	697,000
Reserve for:			
Amortization	D-18	2,364,234	2,204,572
Debt Service	D-19	225,463	225,463
Fund Balance		555	555
		<u>4,668,012</u>	<u>4,693,012</u>
Total Capital Fund			
		<u>\$ 5,560,128</u>	<u>5,595,421</u>

There were bonds and notes authorized but not issued at December 31, 2011 and December 31, 2012 of \$231,526 and \$231,526 (Exhibit D-22).

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Operations and Changes in Fund Balance - Regulatory Basis

Water Utility Operating Fund

For the Years Ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Revenue and other income:		
Fund balance utilized	\$ 236,185	
Water rents	1,649,708	1,518,243
Unexpended balance appropriation reserve	7,211	50,024
Miscellaneous	70,146	54,354
	<u>1,963,250</u>	<u>1,622,621</u>
Total revenue and other income		
Expenditures:		
Operating	1,487,700	1,215,700
Debt service	188,450	199,056
Deferred charges and statutory expenditures	54,200	44,600
	<u>1,730,350</u>	<u>1,459,356</u>
Total expenditures		
Excess (Deficit) in revenues	232,900	163,265
Adjustment to income before fund balance - expenditures included above which are by statute deferred charges to budget of succeeding year		<u>20,000</u>
Statutory excess to fund balance	232,900	183,265
Fund balance, January 1	<u>641,486</u>	<u>458,221</u>
	874,386	641,486
Decreased by utilization by water operating budget	<u>236,185</u>	
Balance, December 31	<u>\$ 638,201</u>	<u>641,486</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Revenues - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2012

	<u>Anticipated</u>	<u>Realized</u>	<u>Excess (deficit)</u>
Operating surplus anticipated	\$ 236,185	236,185	
Rents	1,500,000	1,649,708	149,708
Miscellaneous	<u>40,000</u>	<u>70,146</u>	<u>30,146</u>
	<u>\$ 1,776,185</u>	<u>1,956,039</u>	<u>179,854</u>

Analysis of Realized Revenue

Rents	\$ <u>1,649,708</u>
Interest on investments - Water Operating Fund	4,861
Interest on Delinquent Collections	8,034
Meter Installations	<u>57,251</u>
	<u>\$ 70,146</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Statement of Expenditures - Regulatory Basis

Water Utility Operating Fund

Year ended December 31, 2012

	Appropriations		Expended		Canceled
	Budget	Budget after modification	Paid or charged	Reserved	
Operating:					
Salaries and wages	\$ 334,600	327,600	322,137	5,463	
Other expenses	1,142,700	1,160,100	1,105,323	54,777	
Total operating	1,477,300	1,487,700	1,427,460	60,240	
Debt Service:					
Payment of Bond Principal	130,000	130,000	130,000		
Interest on Bonds	29,310	29,310	29,309		1
Infrastructure Trust Loans	74,975	74,975	29,141		45,834
	234,285	234,285	188,450		45,835
Deferred Charges and Statutory Expenditures:					
Deferred Charges :					
Emergency Authorizations	20,000	20,000	20,000		
Statutory expenditures - contribution to:					
Social Security System (O.A.S.I.)	44,500	34,100	34,048	52	
Unemployment Compensation Insurance (N.J.S.A. 43:21-3 et seq.)	100	100		100	
Total deferred charges and statutory expenditures	64,600	54,200	54,048	152	
	\$ 1,776,185	1,776,185	1,669,958	60,392	45,835
			Cash disbursed \$ 1,593,721		
			Reserve for Encumbrances 26,928		
			Accrued Interest on Bonds 29,309		
			Emergency Authorization 20,000		
			\$ 1,669,958		

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

Comparative Balance Sheet-Regulatory Basis

Payroll Account

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
<u>Assets</u>		
Cash	\$ <u>10,467</u>	<u>10,941</u>
	\$ <u><u>10,467</u></u>	<u><u>10,941</u></u>
<u>Reserves</u>		
Payroll Deductions and Withholdings	\$ <u>10,467</u>	<u>10,941</u>
	\$ <u><u>10,467</u></u>	<u><u>10,941</u></u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK, N.J.

**Comparative Statement of General Fixed
Assets-Regulatory Basis**

General Fixed Assets Account Group

December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
General Fixed Assets:		
Land	\$ 10,533,516	10,518,311
Buildings	9,417,822	9,271,052
Automobiles and Vehicles	5,662,458	5,632,990
Machinery and equipment	<u>1,614,429</u>	<u>1,526,157</u>
Investment in General Fixed Assets	<u>\$ 27,228,225</u>	<u>26,948,510</u>

See accompanying notes to financial statements.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB Codification establishes seven fund types and two account groups to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (GAAP).

The financial statements of the Borough of Woodland Park have been prepared in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through the following separate funds which differ from the fund structure required by GAAP.

A. Reporting Entity

The Borough of Woodland Park (the "Woodland Park") operates under a Mayor/Council form of government. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB has issued Statement No. 14 which requires the financial reporting entity to include both the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

However, the municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements. The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the volunteer fire department which is considered a component unit under GAAP. Complete financial statements of the above components can be obtained by contacting the Treasurer of the respective entity.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. An account group, on the other hand, is designed to provide accountability for certain assets and liabilities that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund - This fund accounts for resources and expenditures for governmental operations of a general nature, including Federal and State grants.

Trust Funds - Trust Funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individual, private organizations, or other governments are recorded in the Trust Funds.

Other Trust Fund - This fund is established to account for the assets and resources which are also held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds.

Animal License Trust Fund - This fund is used to account for fees collected from dog licenses and expenditures which are regulated by NJS 4:19-15.11.

Library Trust Fund - This fund is used to account for the activities of the Library.

Assessment Trust Fund - This fund is used to account for assessments for improvements levied against the improved properties.

Community Development Block Grant Trust Fund - This fund is used to account for the award of and subsequent receipt and disbursements related to Community Development Block Grants.

General Capital Fund - This fund is used to account for the receipt and disbursement of funds used for acquisition or improvement of general capital facilities, other than those acquired in the Current Fund.

Water Utility Operating Fund - This fund is used to account for all revenues and expenditures applicable to the operations of the water department.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Water Utility Capital Fund – This fund is used to account for financial resources to be used for the acquisition or improvement of water capital facilities. The major resources are derived from the issuance of debt.

Payroll Account – This account is used for all net payroll checks distributed to employees.

General Fixed Assets Account Group - To account for all fixed assets of the Borough. The Borough's infrastructure is not reported in the group.

Basis of Accounting

A modified accrual basis of accounting is followed by the Borough of Woodland Park. Under this method of accounting revenues, except State/Federal Aid, are recognized when received and expenditures are recorded, when incurred. The accounting principles and practices prescribed for municipalities by the Division differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Property Tax Revenues - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. Additionally, a 6% penalty is assessed for balances over \$10,000 if not paid by the end of the calendar year. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of June 30, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall subject to the provisions of the New Jersey Statutes enforce the lien by placing the property on a tax sale. Annual in rem tax foreclosure proceedings are instituted to enforce the tax collection or acquisition of title to the property by the Borough. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the taxes receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Miscellaneous Revenues - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund and Water Utility Operating Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Grant Revenues - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual.

Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures for the Current Fund and Water Utility Fund. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

- General Capital Fund
- Trust Fund
- Public Assistance Fund
- Water Utility Capital Fund

The governing body shall introduce and approve the annual budget not later than February 10, of the fiscal year. The budget shall be adopted not later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. Emergency appropriations, those made after the adoption of the budget and determination of the tax rate, may be authorized by the governing body of the municipality.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

During the last two months of the fiscal year, the governing body may, by a 2/3 vote, amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the Governing Body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2012, \$437,190 in additional revenues and appropriations were added to the budget in accordance with N.J.S.A. 40A:4-87 and there were also several budget transfers approved by the governing body.

Expenditures - Are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless canceled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, which should be recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures under GAAP.

Appropriation Reserves - Are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick pay are not recorded until paid. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations be recorded as a long-term obligation.

Property Acquired for Taxes - Is recorded in the Current Fund at the assessed valuation when such property was acquired and fully reserved. GAAP requires such property to be recorded in the General Fixed Assets Account Group at market value on the date of acquisition.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets.

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within one year of the date acquired by the government. Investments are stated at fair value which approximates cost and are limited by N.J.S.A. 40A:5-15.1(a).

Deferred Charges to Future Taxation Funded and Unfunded - Upon the authorization of capital projects, the Borough establishes deferred charges for the costs of the capital projects to be raised by future taxation. Funded deferred charges relate to permanent debt issued, whereas unfunded deferred charges relate to temporary or nonfunding of the authorized cost of capital projects. According to N.J.S.A. 40A:2-4, the Borough may levy taxes on all taxable property within the local unit to repay the debt. Annually, the Borough raises the debt requirements for that particular year in the current budget. As the funds are raised by taxation, the deferred charges are reduced.

General Fixed Assets - The Borough of Woodland Park has developed a fixed assets accounting and reporting system, as promulgated by the Division of Local Government Services, which differs in certain respects from generally accepted accounting principles.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized.

Fixed assets acquired by the Water Utility Fund are capitalized as Fixed Capital and not depreciated.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Measurement Focus, Basis of Accounting and Basis of Presentation, (continued)

Basis of Accounting, (continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available.

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the Capital Funds until such time as the construction is completed and put into operation.

Fixed assets acquired through grants in aid or contributed capital have not been accounted for separately.

GAAP requires that fixed assets be capitalized at historical or estimated historical cost if actual historical cost is not available.

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Comparative Data - Comparative data for the prior year has been presented in the accompanying balance sheets and statements of operations in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

C. Basic Financial Statements

The GASB Codification also defines the financial statements of a governmental unit to be presented in the general purpose financial statements to be in accordance with GAAP. The Borough presents the financial statements listed in the table of contents which are required by the Division and which differ from the financial statements required by GAAP. In addition, the Division requires the financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from GAAP.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash

Custodial Credit Risk - Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough's policy is based on New Jersey Statutes requiring cash be deposited only in New Jersey based banking institutions that participate in New Jersey Governmental Depository Protection Act (GUDPA) or in qualified investments established in New Jersey Statutes 40A:5-15.1(a) that are treated as cash equivalents. As of December 31, 2012, \$0- of the Borough's bank balance of \$9,604,618 was exposed to custodial credit risk.

Investments

Investment Rate Risk

The Borough does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, New Jersey Statutes 40A:5-15.1(a) limits the length of time for most investments to 397 days.

Credit Risk

New Jersey Statutes 40A:5-15.1(a) limits municipal investments to those specified in the Statutes. The type of allowance investments are Bonds of the United States of America, bonds or other obligations of the towns or bonds or other obligations of the local unit or units within which the town is located; obligations of federal agencies not exceeding 397 days; government money market mutual funds; the State of New Jersey Cash Management Plan; local government investment pools; or repurchase of fully collateralized securities.

Concentration of Credit Risk

The Borough places no limit on the amount the Borough may invest in any one issuer.

Unaudited Investments

As more fully described in Note 13, the Borough has created a Length of Service Award Program (LOSAP) for emergency service volunteers. The LOSAP investments are similar to those allowed in a deferred compensation program as specified in NJSA 43:15B-1 et. seq. except that all investments are retained in the name of the Borough. All investments are valued at fair value. In accordance with NJAC 5:30-14.37, the investments are maintained by AIG, which is an authorized provider approved by the Division of Local Government Services. The balance in the account on December 31, 2012 and 2011 amounted to \$775,732 and \$701,704, respectively.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 2. CASH, CASH EQUIVALENTS AND INVESTMENTS, (continued)

The following investments represent 5% or more of the total invested with AIG on December 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Money Market Funds	\$75,263	\$62,675
Science and Technology	47,759	42,128
Fixed Account Plus	270,254	250,511
Stock Index Fund	193,773	176,697
All Others	<u>188,683</u>	<u>169,693</u>
Total	<u>\$775,732</u>	<u>\$701,704</u>

NOTE 3. MUNICIPAL DEBT

Long-term debt as of December 31, 2012 consisted of the following:

	Balance <u>Dec. 31, 2011</u>	<u>Additions</u>	<u>Reductions</u>	Ending <u>Balance</u>	Amounts Due Within <u>One Year</u>
Bonds Payable:					
General Capital	\$12,737,000	\$	\$700,000	\$12,037,000	\$730,000
Water Capital	<u>697,000</u>	<u> </u>	<u>130,000</u>	<u>567,000</u>	<u>135,000</u>
Total Bonds Payable	<u>13,434,000</u>	<u> </u>	<u>830,000</u>	<u>12,604,000</u>	<u>865,000</u>
Other Liabilities:					
PERS/PFRS Pension Deferral	330,043		47,021	283,022	16,252
Compensated Absences Payable	1,565,226	142,662	115,000	1,592,888	
Capital Lease	365,000		15,000	350,000	20,000
New Jersey Infrastructure Trust:					
Wastewater Loans - General Capital	1,269,489		92,400	1,177,089	99,294
Wastewater Loans - Water Capital	<u>672,881</u>		<u>54,662</u>	<u>618,219</u>	<u>53,851</u>
Total Other Liabilities	<u>4,202,639</u>	<u>142,662</u>	<u>324,083</u>	<u>4,021,218</u>	<u>189,397</u>
	<u>\$17,636,639</u>	<u>\$142,662</u>	<u>\$1,154,083</u>	<u>\$16,625,218</u>	<u>\$1,054,397</u>

The Local Bond Law governs the issuance of bonds and notes to finance capital expenditures. General obligation bonds have been issued for the general capital fund. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects, must be paid off within ten years and five months or retired by the issuance of bonds.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

The Borough's debt is summarized as follows:

Summary of Municipal Debt (Excluding Current Operating Debt)

	<u>Year 2012</u>	<u>Year 2011</u>	<u>Year 2010</u>
<u>Issued:</u>			
General - Bonds, Notes and Loans	\$15,414,089	\$15,031,489	\$15,832,297
Water Utility - Bonds, Notes and Loans	<u>1,185,219</u>	<u>1,215,923</u>	<u>1,714,686</u>
	<u>16,599,308</u>	<u>16,247,412</u>	<u>17,546,983</u>
<u>Authorized But Not Issued</u>			
General - Bonds and Notes	1,393,079	1,897,079	54,579
Water Utility - Bonds and Notes	<u>231,526</u>	<u>231,526</u>	<u>231,526</u>
	<u>1,624,605</u>	<u>2,128,605</u>	<u>286,105</u>
Total Bonds, Notes and Loans Issued and Authorized But Not Issued	18,223,913	18,376,017	17,833,088
Less: Deductions	<u>1,884,427</u>	<u>1,211,529</u>	<u>3,877,277</u>
Net Debt	<u>\$16,339,486</u>	<u>\$17,164,488</u>	<u>\$13,955,811</u>

Summary of Statutory Debt Condition - Annual Debt Statement

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the Annual Debt Statement and indicates a statutory net debt of .924%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Regional School District Debt	\$2,327,181	\$2,327,181	\$ -0-
Local School District Debt	6,832,758	6,832,758	-0-
Water Utility	1,416,745	1,416,745	-0-
General Debt	<u>16,807,168</u>	<u>467,682</u>	<u>16,339,486</u>
	<u>\$27,383,852</u>	<u>\$11,044,366</u>	<u>\$16,339,486</u>

Net debt of \$16,339,486 divided by equalized valuation basis per N.J.S.A. 40A:2-2 as amended of \$1,767,405,070 equals .924%.

Borrowing Power Available under N.J.S.A. 40A:2-6 as Amended

3 ½% of Equalized Valuation Basis (Municipal)	\$61,859,177
Net Debt	<u>16,339,486</u>
Remaining Borrowing Power	<u>\$45,519,691</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Calculation of "Self-Liquidating Purpose", Water Utility Per N.J.S.A. 40A:2-45

Cash receipts from fees, rents or other charges for year		\$1,956,039
Deductions:		
Operating and Maintenance Cost	\$1,521,900	
Debt Service per Water Account	<u>188,450</u>	
Total Deductions		<u>1,710,350</u>
Excess (Deficit) in Revenue - Self-Liquidating		<u>\$245,689</u>

Footnote: If there is an "excess in revenue", all such utility debt is deductible.

The Borough's long-term debt consisted of the following at December 31, 2012:

Paid by Current Fund:

General Serial Bonds:

\$2,015,000 Variable Rate Refunding Bonds issued Aug. 1, 2005, due through Aug. 1, 2017	\$1,085,000
\$4,332,000 General Improvement Bonds issued Aug. 1, 2001, due through Oct. 15, 2016 at an interest rate of 4.30%	1,677,000
\$9,500,000 Variable Rate General Improvement Bonds issued Jul. 15 2009, due through Jul. 15, 2027	<u>9,275,000</u>
Total General Serial Bonds	<u>12,037,000</u>

Paid by Water Utility Fund:

Water Utility Serial Bonds:

\$1,507,000 Serial bonds issued Oct. 15, 2001, due through Oct. 15, 2015 at an interest rate of 4.375%	<u>567,000</u>
Total Water Utility Bonds	<u>567,000</u>
Total Serial Bonds	<u>\$12,604,000</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 3. MUNICIPAL DEBT, (continued)

Aggregate debt service requirements during the next five years and thereafter are as follows:

<u>Year</u>	<u>General Capital</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$730,000	\$481,404	\$1,211,404
2014	765,000	452,671	1,217,671
2015	835,000	422,991	1,257,991
2016	862,000	388,903	1,250,903
2017	610,000	353,800	963,800
2018-2022	3,325,000	1,399,600	4,724,600
2023-2027	<u>4,910,000</u>	<u>611,400</u>	<u>5,521,400</u>
	<u>\$12,037,000</u>	<u>\$4,110,769</u>	<u>\$16,147,769</u>

<u>Year</u>	<u>Water Utility</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$135,000	\$24,806	\$159,806
2014	140,000	18,900	158,900
2015	145,000	12,775	157,775
2016	<u>147,000</u>	<u>6,431</u>	<u>153,431</u>
	<u>\$567,000</u>	<u>\$62,912</u>	<u>\$629,912</u>

General capital, water capital and assessment serial bonds are direct obligations of the Borough for which its full faith and credit are pledged, and are payable from taxes levied on all taxable property located within the Borough and/or water utilities revenues and special assessments.

At December 31, 2012, the Borough had authorized but not issued debt as follows:

General Capital Fund	\$1,393,079
Water Utility Capital Fund	<u>231,526</u>
	<u>\$1,624,605</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 4. INTERGOVERNMENTAL LOANS PAYABLE

The Borough has entered into a loan agreement with the New Jersey Environmental Infrastructure Trust for the financing related to the Borough's combined storm water and sanitary sewer separation project.

General Capital

\$480,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2023 interest at 3% to 5%.	\$325,000
\$420,000 loan due in annual installments of \$10,813 to \$18,674 through August 1, 2021.	191,719
\$485,000 loan due in annual installments of \$15,000 to \$35,000 through August 1, 2024.	355,000
\$493,977 loan due in semiannual installments of \$12,072 to \$23,189 through August 1, 2024.	<u>305,370</u>
	<u>\$1,177,089</u>

Water Utility Capital

\$580,000 loan due in annual installments of \$20,000 to \$45,000 through August 1, 2024 interest at 3.00% to 5.00%.	\$420,000
\$590,374 loan due in semiannual installments of \$638 to \$30,446 through August 1, 2029.	<u>198,219</u>
	<u>\$618,219</u>

Year	General Capital Loans			Water Utility Loans		
	Principal	Interest	Total	Principal	Interest	Total
2013	\$99,294	\$31,454	\$130,748	\$53,851	\$19,481	\$73,332
2014	97,784	28,954	126,738	61,283	18,231	79,514
2015	96,435	26,704	123,139	60,505	17,031	77,536
2016	95,226	24,703	119,929	59,727	15,831	75,558
2017	101,819	22,703	124,522	58,948	14,631	73,579
2018-2022	533,196	71,544	604,740	233,905	47,906	281,811
2023-2024	153,335	6,213	159,548	90,000	5,850	95,850
	<u>\$1,177,089</u>	<u>\$212,275</u>	<u>\$1,389,364</u>	<u>618,219</u>	<u>\$138,961</u>	<u>\$757,180</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 5. BOND ANTICIPATION NOTES

The Borough issues bond anticipation notes to temporarily fund various capital projects prior to the issuance of serial bonds. The term of the notes cannot exceed one year but the notes may be renewed from time to time for a period not exceeding one year. Generally, such notes must be paid no later than the first day of the fifth month following the close of the tenth anniversary of the date of the original note. The State of New Jersey also prescribes that on or before the third anniversary date of the original note a payment of an amount at least equal to the first legally payable installment of the bonds in anticipation of which such notes were issued be paid or retired. A second and third legal installment must be paid if the notes are to be renewed beyond the fourth and fifth anniversary date of the original issuance.

On December 31, 2012, the Borough had \$2,200,000 in outstanding general obligation bond anticipation notes; \$1,300,000 is due on June 7, 2013 at a rate of 1.03% and \$900,000 is due on December 13, 2013.

The following activity related to bond anticipation notes occurred during the calendar year ended December 31, 2012.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
General Capital Notes Payable:				
Oppenheimer & Co., Inc.	\$	\$900,000	\$	\$900,000
Capital One	<u>1,025,000</u>	<u>1,300,000</u>	<u>1,025,000</u>	<u>1,300,000</u>
	<u>\$1,025,000</u>	<u>\$2,200,000</u>	<u>\$1,025,000</u>	<u>\$2,200,000</u>

NOTE 6. DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Certain expenditures are required to be deferred to budgets of succeeding years. At December 31, 2012 the following deferred charges are shown on the balance sheets of the various funds:

	<u>Balance Dec. 31, 2012</u>	<u>2013 Budget Appropriations</u>	<u>Balance Succeeding Years Budgets</u>
Current Fund:			
Special Emergency Authorizations	<u>\$110,000</u>	<u>\$70,000</u>	<u>\$40,000</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 7. LOCAL DISTRICT SCHOOL TAXES AND REGIONAL HIGH SCHOOL TAXES

Regulations provide for the deferral of not more than 50% of the annual levy when school taxes are raised for a school year and have not been requisitioned by the school district.

The Borough of Woodland Park has elected to defer school taxes as follows:

	Local School District Tax Balance		Regional School District Tax Balance	
	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>	<u>Dec. 31, 2012</u>	<u>Dec. 31, 2011</u>
Balance of Tax	\$7,086,468	\$6,871,501	\$3,121,288	\$2,863,439
Deferred	<u>7,086,468</u>	<u>6,871,501</u>	<u>3,122,087</u>	<u>2,864,238</u>
Tax Payable/(Prepaid)	<u>\$0</u>	<u>\$0</u>	<u>(\$799)</u>	<u>(\$799)</u>

NOTE 8. PENSION PLANS

Description of Systems:

Substantially all of the Borough's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Police and Firemen's Retirement System (PFRS) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Public Employees' Retirement System and the Police and Firemen's Retirement System (PFRS) are considered a cost sharing multiple-employer plans. According to the State of New Jersey Administrative Code, all obligations of the systems will be assumed by the State of New Jersey should the systems terminate.

Public Employees' Retirement System (PERS)

The Public Employees' Retirement System was established in January, 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to certain qualified members. Membership is mandatory for substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not required to be a member of another State-administered retirement system. Vesting occurs after 8-10 years of service and 25 years for health care coverage. Members are eligible for retirement at age 60 with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of creditable service. Early retirement is available to those under age 60 with 25 or more years of credited service. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on contributions. In case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Public Employees' Retirement System (PERS), (continued)

Chapter 103, P.L. 2007 amended the early retirement reduction formula for members hired on or after July 1, 2007 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 60, plus 3% for every year under age 55.

Chapter 89, P.L. 2008 increased the PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; increased the minimum annual compensation required for membership eligibility for new members. Also, it amended the early retirement reduction formula for members hired on or after November 1, 2008 and retiring with 25 years of service to be reduced by 1% for every year between age 55 and 62, plus 3% for every year under age 55.

Chapter 1, P.L. 2010, effective May 21, 2010, changed the membership eligibility criteria for new members of PERS from the amount of compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of PERS to 1/60 from 1/55, and it provided that new members of PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. This law also closed the Prosecutors Part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time 5 years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as 1/7th of the required amount, beginning in fiscal year 2012.

Chapter 3, P.L. 2010, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Chapter 78, P.L. 2011, provides that new members of PERS hired on or after June 28, 2011 (Tier 5 members) will need 30 years of creditable service and age 65 for receipt of the early retirement benefit without a reduction of $\frac{1}{4}$ of 1% for each month that the member is under age 65. Tier 5 members will be eligible for a service retirement benefit at age 65.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Police and Firemens' Retirement System (PFRS)

The Police and Firemens' Retirement System was established in July 1944 under the provisions of N.J.S.A. 43:16A to provide retirement, death and disability benefits to its members. Membership is mandatory for all full time county and municipal police and firemen, and state firemen or officer employees with police powers appointed after June 30, 1944.

Enrolled members of the Police and Firemens' Retirement System may retire at age 55 with no minimum service requirement. The annual allowance is equal to 2% of the members' final compensation for each year of service up to 30 years, plus 1% of each year of creditable service over 30 years. Final compensation equals the compensation for the final year of service prior to retirement. Special retirement is permitted to members who have 25 or more years of creditable service in the system. Benefits fully vest on reaching 10 years of service. Members are always fully vested for their own contributions. In the case of death before retirement, members' beneficiaries are entitled to full payment of members' contributions.

Chapter 1, P.L. 2010, effective May 21, 2010, eliminated the provision in PFRS that would permit a member to retire, at any age after 25 years of service credit, on a special retirement allowance of 70% of final compensation after the retirement system reaches a funded level of 104%. Also, for new members of PFRS, the law capped the maximum compensation that can be used to calculate a pension from the plan at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information for PERS and PFRS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Divisions of Pensions and Benefits, P.O. Box 295, Trenton, NJ 08625-0295.

Significant Legislation

On March 17, 2009, the legislative of the State of New Jersey enacted Public Laws 2009, c.19(S-21) the "Pension Deferral Program". This law allows the Division of Pensions and Benefits to provide non-state government pension system employers the option of paying their full amount, or an amount that reflects a 50 percent reduction of the normal and accrued liability component of the Public Employees' Retirement System and/or the Police and Firemen's Retirement System obligation for payment due to the State Fiscal Year ending June 30, 2009. The amount deferred will be repaid starting in April 2012 over a 15-year period at 8¼ percent. The amount will fluctuate based on pension system investment earnings on the deferred amount. The local employer is allowed to payoff the obligation at any time prior to April 2012.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Description of Systems, (continued)

Significant Legislation, (continued)

The Borough of Woodland Park opted for this deferral in the amount of \$330,043.

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The pension funds provide for employee contributions based on 5.5% for PERS. This amount will increase to 6.5% plus an additional 1% phased in over 7 years beginning 2012 and 8.5% for PFRS, which increased to 10% in October 2011, of the employee's annual compensation, as defined by law. Employers are required to contribute at an actuarially determined rate in all Funds except the SACT. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the PERS and PFRS. In the PERS and PFRS, the employer contribution includes funding for post-retirement medical premiums.

The Borough's contribution to the various plans, equal to the required contributions for each year, were as follows:

<u>Year</u>	<u>PERS</u>	<u>PFRS</u>
December 31, 2012	\$275,039	\$543,865
December 31, 2011	252,411	670,848
December 31, 2010	203,788	574,304

Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established on July 1, 2007 for certain public employees under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007. The program provides eligible members, with a minimum base salary of \$1,500.00 or more, with a tax-sheltered, defined contribution retirement benefit, in addition to life insurance and disability coverage. The DCRP is jointly administered by the Division of Pensions and Benefits and Prudential Financial.

If the eligible elected or appointed official will earn less than \$5,000.00 annually, the official may choose to waiver participation in the DCRP for that office or position. The waiver is irrevocable.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 8. PENSION PLANS, (continued)

Defined Contribution Retirement Program, (continued)

This retirement program is a new pension system where the value of the pension is based on the amount of the contribution made by the employee, employer and through investment earnings. It is similar to a Deferred Compensation Program where the employee has a portion of tax deferred salary placed into an account that the employee manages through investment option provided by the employer.

The law requires that three classes of employees enroll in the DCRP detailed as follows:

All elected officials taking office on or after July 1, 2007, except that a person who is reelected to an elected office held prior to that date without a break in service may retain in the PERS.

A Governor appointee with advice and consent of the Legislature or who serves at the pleasure of the Governor only during that Governor's term of office.

Other employees commencing service after July 1, 2007, pursuant to an appointment by an elected official or elected governing body which include the statutory untenured Chief Administrative Officer such as the Business Administrator, County Administrator, or Municipal or County Manager, Department Heads, Legal Counsel, Municipal or County Engineer, Municipal Prosecutor and the Municipal Court Judge.

Notwithstanding the foregoing requirements, other employees who hold a professional license or certificate or meet other exceptions are permitted to remain to join or remain in PERS.

Contributions made by employees for DCRP are currently at 5.5% of the base wages. Member contributions are matched by a 3.0% employer contribution.

The Borough's contribution to the DCRP for each year were as follows:

<u>Year</u>	
December 31, 2012	\$253
December 31, 2011	-0-
December 31, 2010	-0-

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 9. OTHER POST EMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the Borough provides post employment health care benefits in accordance with the provisions of Ch. 88, P.L. 1974 as amended by Chapter 436, P.L. 1981, at its cost, to all Borough retirees hired prior to January 1, 1995 who have retired after twenty-five (25) years or more of service credit in a state or local agency retirement system and who have worked a period of twenty (20) consecutive years with the Borough at the time of retirement.

Health insurance, including dental and prescription coverage, are provided for retirees and their spouses. Dependent coverage must be paid for by the retiree at the Borough cost imposed by the insurance carrier.

The Borough funds these benefits on a pay-as-you-go basis and, therefore, does not record accrued expenses related to these benefits. During 2012, the Borough contributed \$395,316 to the costs of retiree benefits.

Pursuant to GASB Statement No. 45 ("GASB 45"), *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Borough obtained an actuarially determined calculation for this obligation.

The Borough's annual other postemployment benefits ("OPEB") costs for the Plan, which is currently funded on a pay-as-you-go basis and is a non-contributory plan with all plan payments for plan benefits being funded by the Borough, is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an on-going basis, is projected to cover normal cost each year and interest on the net OPEB obligation and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The Borough's annual OPEB cost for the year ended December 31, 2012, and the related information for the plan, are as follows:

January 1, 2011 - Net OPEB Obligation (Initial) (NOO)	\$6,301,011
Annual OPEB Costs (AOC)	2,088,476
Contribution from employer and other contributing entities	<u>(500,939)</u>
December 31, 2012 - Net OPEB Obligation (NOO)	<u>\$7,888,548</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

The Borough's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for FY2012 were as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u> (Dollars in Thousands)	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
2010	\$1,840,800	7.62%	\$4,607,851
2011	2,088,476	6.27	6,301,011
2012	2,088,476	6.35	7,888,548

<u>Valuation Date</u>	<u>Actuarial Value of Assets OPEB Cost</u>	<u>Actuarial accrued Liability - Projected Unit Credit</u> (Dollars in Thousands)	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll*</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll*</u>
12/31/11	\$-0-	\$19,898.7	\$19,898.7	0 %	N/A	N/A

*Required disclosure at adoption of standard payroll is not provided.

The **Present Value of all Projected Benefits** is the total present value of all expected future benefits, based on certain actuarial assumptions. The Present Value of all projected benefits is a measure of total liability or obligation. Essentially, the Present Value of all projected benefits is the value (on the valuation date) of the benefits promised to current and future retirees. The Plan's present value of all projected benefits (at January 1, 2008) is \$28,059,300 assuming no prefunding of obligations. The majority of this liability is for current active employees (future retirees).

The **Actuarial Accrued Liability** is the liability or obligation for benefits earned through the valuation date, based on certain actuarial methods and assumptions. The Plan's Actuarial Accrued Liability (at December 31, 2011) is \$19,898,661 assuming no prefunding of obligations. The majority of this obligation is for current active employees.

Normal Cost is the value of benefits expected to be earned during the current year, again based on certain actuarial methods and assumptions. The 2012 Fiscal Year Normal Cost is \$866,866 assuming no prefunding of obligations. In pension accounting, this is also known as "service cost."

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 9. OTHER POST EMPLOYMENT BENEFITS, (continued)

Future Normal Costs represent the present value of the remaining balance of all projected benefits to be earned in future years.

Assumptions

The results were calculated based upon plan provisions, as provided by the Borough of Woodland Park and the State of New Jersey, along with certain demographic and economic assumptions as recommended by Aon, in conjunction with the Borough of Woodland Park with guidance from the GASB statement.

Demographic Assumptions

Data was provided by the Borough of Woodland Park as of December 31, 2011. Demographic assumptions used to project the data are the same as those used to value the SHBP PERS pension liabilities. There is no assumption for future new hires.

Economic Assumptions

The GASB statement requires that the discount rate used to determine the retiree healthcare liabilities should be estimated long-term yield on the "investments that are expected to be used to finance the payments of benefits". Since the Borough of Woodland Park does not currently pre-fund the retiree healthcare liabilities, the discount rate for the "no prefunding" scenario should be based on the portfolio of the Borough of Woodland Park's "general assets" used to pay these benefits. The discount rate assumption selected by the Borough is 4.50%.

Economic Assumptions, (continued)

The trend assumption is used to project the growth of the expected claims over the lifetime of the healthcare recipients. The GASB statement does not require a particular source for information to determine healthcare trends, but it does recommend selecting a source that is "publicly available, objective and unbiased".

UHY Advisors developed the trend assumptions on the SHBP plan along with information in published papers from other industry experts (actuaries, health economists, etc.). For the actuarial trend assumptions, this amount initially is at 9.0% and decreases to a 5.0% long-term trend rate for the benefits.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 10. COMMITMENTS PAYABLE

A. Operating Leases

The municipality has commitments to lease certain equipment under arrangements representing operating leases. Future minimum rental commitments for noncancelable operating leases as of December 31, 2012 were as follows:

Budget Year	Police Vehicles	2011 Chevrolet Impala	Toughbook Computers for Police Cars	Sound Recording Equipment for Courtroom
2013	\$12,359	\$4,091	\$11,997	\$3,086
2014		4,354	11,998	
2015		4,237	11,997	
2016			3,999	

NOTE 11. FUND BALANCE APPROPRIATED

The fund balance at December 31, 2012 which has been appropriated as revenue in the 2013 budget is as follows:

Current Fund	\$1,627,623
Water Utility Operating Fund	335,100

NOTE 12. FIXED ASSETS

The following is a summary of change in the General Fixed Assets Account Group as of December 31, 2012:

	Balance Dec. 31, 2011	Additions	Deletions	Balance Dec. 31, 2012
General Fixed Assets:				
Land and Improvements	\$10,518,311	\$15,205	\$	\$10,533,516
Buildings and Building Improvements	9,271,052	146,770		9,417,822
Automobiles and Vehicles	5,632,990	29,468		5,662,458
Machinery and Equipment	<u>1,526,157</u>	<u>88,272</u>		<u>1,614,429</u>
	<u>\$26,948,510</u>	<u>\$279,715</u>	<u>\$ -0-</u>	<u>\$27,228,225</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 13. ACCRUED SICK AND VACATION BENEFITS

The Borough has permitted employees to accrue unused vacation and sick pay, which may be taken as time off or paid at a later date at an agreed-upon rate. It is estimated that the current cost of such unpaid compensation would approximate \$1,592,888 as of December 31, 2012. The amount is not reported either as an expenditure or liability.

NOTE 14. INTERFUND BALANCES AND ACTIVITY

Balances due to/from other funds at December 31, 2012 consist of the following:

\$2,325	Due to the Current Fund from the Animal License Trust Fund for the current year's statutory excess.
541	Due to the Community Development Trust Fund from the Current Fund to reimburse expenses paid.
42	Due to the Current Fund from the Municipal Alliance Trust Fund for the balance of current years' interest earned.
273	Due to the Current Fund from the Escrow Trust Fund for the balance of current years' interest earned.
42,577	Due from the Federal and State Grant Fund to the Current Fund for expenses paid less revenue received.
<u>169,268</u>	Due to the Open Space Trust Fund from the Current Fund for current year tax levy collections not transferred.
<u>\$215,026</u>	

It is anticipated that all interfunds will be liquidated during the fiscal year.

NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP)

On May 8, 2002, the Division of Local Government Services approved the Borough's LOSAP plan, provided by the Variable Annuity Life Insurance Company (VALIC). The purpose of this plan is to enhance the Borough's ability to retain and recruit volunteer firefighters and volunteer members of emergency service squads.

VALIC will provide for the benefit of participants, a multi-fund variable annuity contract as its funding vehicle. The plan shall provide for an annual contribution of \$1,150 per year of active emergency service, subject to periodic increases as permitted by N.J.A.C. 5:30-14.9. The Borough's contribution shall be included in the current years budget.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 15. EMERGENCY SERVICES VOLUNTEER LENGTH OF SERVICE AWARD PLAN (LOSAP), (continued)

All amounts awarded under a length of service award plan shall remain the asset of the sponsoring agency; the obligation of the sponsoring agency to participating volunteers shall be contractual only; and no preferred or special interest in the awards made shall accrue to such participants. Such money shall be subject to the claims of the sponsoring agency's general creditors until distributed to any or all participants.

We have reviewed the plan for the year ended December 31, 2012 in accordance with the American Institute of Certified Public Accountants (AICPA) Statement on Standards for Accounting and Review Services.

NOTE 16. CAPITAL LEASE PAYABLE

On March 31, 2003 the Borough entered into a \$405,000 capital lease through the Bergen County Improvement Authority for the retirement of its outstanding unfunded pension liability. Annual debt service requirements for this capital lease are as follows:

<u>General Capital Leases</u>			
<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$20,000	\$20,350	\$40,350
2014	25,000	19,050	44,050
2015	25,000	17,550	42,550
2016	30,000	15,900	45,900
2017	35,000	13,950	48,950
2018-2021	<u>215,000</u>	<u>27,750</u>	<u>242,750</u>
	<u>\$350,000</u>	<u>\$114,550</u>	<u>\$464,550</u>

NOTE 17. RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, damage and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Borough has obtained insurance coverage to guard against these events which will provide minimum exposure to the Borough should they occur. During the 2012 calendar year, the Borough did not incur claims in excess of their coverage and the amount of coverage did not significantly decrease.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 17. RISK MANAGEMENT, (continued)

The Borough of Woodland Park is a member of the Bergen County Joint Insurance Fund (BCJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The BCJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to insurance funds, to report claims on a timely basis, cooperate with the management of the Fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the insurance funds. Members have a contractual obligation to fund any deficit of the insurance funds attributable to a membership year during which they were a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverages in any of the prior three years.

NOTE 18. TAXES COLLECTED IN ADVANCE

Taxes collected in advance are recorded as cash liabilities in the financial statements. Following is a comparison of the liability for the previous two years:

	<u>Balance</u> <u>Dec 31, 2012</u>	<u>Balance</u> <u>Dec 31, 2011</u>
Prepaid Taxes	<u>\$180,049</u>	<u>\$174,404</u>
Cash Liability for Taxes Collected in Advance	<u>\$180,049</u>	<u>\$174,404</u>

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 19. LITIGATION

The Borough is a defendant in various legal proceedings. These cases, if decided against the Borough, would be raised by future taxation. The Borough's legal counsel estimate such amounts to be immaterial, except for the following:

1. **PASSAIC VALLEY SEWAGE COMMISSION V. BOROUGH OF WOODLAND PARK**

This matter is a massive matter, which includes all municipalities that are sending members to the Passaic Valley Sewage Commission. There are currently over four hundred and fifty (450) parties to this litigation, and it appears that this litigation will continue for an additional four (4) years.

It is being litigated the State level, in the Superior Court of New Jersey, before the Honorable Sebastian Lombardi, J.S.C.

It is also being case managed by a retired Judge, the Honorable Maria Cordemus, J.S.C., (Retired).

The four hundred and fifty (450) parties that are in this matter, include: local municipal entities, county entities, state entities, states, corporations, the Federal EPA and the New Jersey DEP.

Recently, the Borough and all of the Municipal defendants were able to negotiate a settlement with the State of New Jersey in the amount of Ninety-Five Thousands (\$95,000.00) Dollars – each. This settlement has been paid by the Borough, through the Office of the Borough Administrator, Mr. Kevin Galland – to the State of New Jersey.

Unfortunately, this matter may proceed in the future, wherein there are still claims of a Federal nature, that can be advanced by the parties in the Federal District Court – which have not been extinguished by the settlement of this law suit – which is known as: “The State Action.”

As such, there is the potential for additional expenses in the amount of Three Hundred (\$300,000.00) to Five Hundred Thousand (\$500,000.00) Dollars for the Borough to incur in future calendar years (i.e.: 2014 to 2017), ie: legal, experts and settlement, etc.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 19. LITIGATION, (continued)

2. TAMI FREED V. THE BOROUGH OF WOODLAND PARK

This matter is pre-suit, and it involves the claims of former Police Chief Robert Reda's wife. She is claiming that the Borough owes her husband's estate compensation in the form of: sick time, vacation time, x-days, y-days, comp days, and all other types of benefits that the former Chief accrued during his employment with the Borough of Woodland Park.

Her demand for settlement at this point in time is One Hundred Fifteen Thousand (\$115,000.00) Dollars. As such, we would base this claim as having a full value of One Hundred Fifteen Thousand (\$115,000.00) Dollars at this time.

The Borough has advanced a settlement and check to the plaintiff in this matter. Specifically, the plaintiff was paid the amount of Seventy-Six Thousands (\$76,000.00) Dollars. Originally, she had sought One Hundred Thousand (\$100,000.00) Dollars (plus), for claims regarding her husband's outstanding comp time, sick time and vacation time. A deduction of Thirty-Two Thousand (\$32,000.00) Dollars was made to reimburse the Borough for costs associated with an air ambulance medical flight that the decedent (her husband) has requested.

We cannot mark this matter as closed, since the plaintiff has not cashed her settlement payment draft. The check expires on August 15, 2013 and we will then know whether or not this matter will be proceeding to litigation. However, note that the Borough has the funds in escrow to cover this settlement.

3. ANGEL JET SERVICES V. BOROUGH OF WOODLAND PARK

In this matter, Angel Jet Services claims that they entered into an oral contract with the Borough of Woodland Park, to transport former Police Chief Robert Reda from Idaho to New Jersey, while he was seriously ill. This firm is a specialty medical jet transportation service.

They claim that the Borough of Woodland Park owes them Four Hundred and Fifty Five Thousand (\$455,000.00) Dollars. The Borough vehemently denies all of the claims that have been advanced by AJS, and this matter is currently being litigated in the Federal District Court of New Jersey. It is being case managed by Judge Dickinson, who is the United States Magistrate Judge - assigned to the matter.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 19. LITIGATION, (continued)

This matter has been settled in its entirety by the Borough's Insurance Carrier, the New Jersey Intergovernmental Insurance Fund, in the amount of Sixty-Five Thousand (\$65,000.00). It is completely concluded and there is no future liability to the Borough of Woodland Park. As such, the case was marked "dismissed -- with Prejudice," with the Court. However, under the terms of the settlement -- the NJIIF can seek reimbursement from the Borough in the amount of \$32,500.00.

4. MCDUFFY V. THE BOROUGH OF WOODLAND PARK

In this matter, the Borough received a Tort Claim notice from the plaintiff, in early 2010. The plaintiff alleges that his Civil Rights were violated by a member of the Borough's DPW, who struck him and used racial epithets against him. Thereafter, complaints were signed against the plaintiff, and he was arrested by the Police Department. The criminal charges proceeded to Court and were dismissed by the trial judge.

This matter is covered by the Borough's insurance policy. We estimate possible liability in the amount of Three Hundred Thousand (\$300,000.00) Dollars which should be covered by the Borough's Insurance Policy.

5. MICHAEL STEWART V. WOODLAND PARK POLICE DEPARTMENT

In this matter, the plaintiff has filed a Notice of Claim, alleging that his Civil Rights were violated when he was arrested for harassing his girlfriend at their apartment.

At trial, Mr. Stewart's girlfriend and he came to an agreement, and the criminal charges were dismissed. However, he admitted that he was responsible for the events which occurred. As such, we do not anticipate him filing a claim against the police department; however, he has until September 2012 to make a decision as to whether or not he wishes to proceed.

The total value of any alleged claim that we would have is Fifty Thousand (\$50,000.00) Dollars.

6. JESSE WOLOSKY V. WOODLAND PARK

This is a claim that is currently before the New Jersey Government Records Council. There is the possibility of GRC imposing a fine up to Fifteen Thousand (\$15,000.00) Dollars.

The plaintiff has made a demand of Seven Hundred and Fifty Dollars to settle this claim. A recommendation to settle this claim in that amount will be advanced to the Borough Council -- for their review and approval. This amount should be no greater than \$2,000.00.

BOROUGH OF WOODLAND PARK
Notes to Financial Statements
Years Ended December 31, 2012 and 2011
(continued)

NOTE 19. LITIGATION, (continued)

7. STATE OF NEW JERSEY VS. RALPH ARMINIO, ET AL.

This matter is a land use matter, wherein the State of New Jersey is attempting to use the eminent domain doctrine to confiscate property of the Borough and private owners along Route 46. In return, the Borough may obtain some payments from the State. If the State is successful in pursuing this action, the Borough may lose up to \$15,000.00 of tax revenues, in the following calendar year.

In addition, there are tax appeals pending that if refunds are awarded would be raised by future taxation.

NOTE 20. SUBSEQUENT EVENTS

The Borough has evaluated subsequent events through July 12, 2013, the date which the financial statements were available to be issued and no other items were noted for disclosure.

SUPPLEMENTARY DATA

BOROUGH OF WOODLAND PARK

Supplementary Data

Comparative Schedule of Tax Rate Information

		<u>2012</u>	<u>2011*</u>	<u>2010</u>
Tax rate - general	\$	2.570	2.433	4.587
Apportionment of tax rate:				
Municipal		0.6576	0.6349	1.2507
Library		0.0348	0.0368	
County		0.6635	0.6049	1.1120
Local school		0.8428	0.8162	1.5730
Regional high school		<u>0.3714</u>	<u>0.3402</u>	<u>0.6513</u>

Assessed valuation:

2012	\$	1,681,609,376
2011*		1,683,881,298
2010		851,545,603

* - Revaluation

Comparison of Tax Levies and Collections Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

			<u>Currently</u>	
		<u>Tax levy</u>	<u>Cash collections</u>	<u>Percentage of collection</u>
2012	\$	43,532,870	43,002,315	98.78%
2011		41,201,312	40,353,621	97.94%
2010		39,439,753	38,865,828	98.54%

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total delinquent taxes and tax title, in relation to the tax levies of the last three years.

<u>Year</u>		<u>Amount of delinquent taxes</u>	<u>Amount of tax title liens</u>	<u>Total delinquent</u>	<u>Percentage of tax levy</u>
2012	\$	392,445		392,445	0.90%
2011		847,691		847,691	2.06%
2010		497,948		497,948	1.26%

BOROUGH OF WOODLAND PARK

Supplementary Data, Continued

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2012 by foreclosure or deed as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>		<u>Amount</u>
2012	\$	4,072,200
2011		4,072,200
2010		4,072,200

Comparison of Water Utility Levies and Collections

<u>Year</u>		<u>Levy</u>	<u>Collections</u>
2012	\$	1,675,652	1,649,708
2011		1,526,483	1,518,243
2010		1,554,984	1,540,753

Comparative Schedule of Fund Balances

	<u>Year</u>		<u>Balance, Dec. 31</u>	<u>Utilized in budget of succeeding year</u>
Current Fund:	2012	\$	2,913,106	1,627,623
	2011		1,696,036	1,345,000
	2010		1,674,088	1,154,500
	2009		1,877,816	1,325,000
	2008		1,369,126	1,150,000
Water Utility Operation Fund:	2012	\$	638,201	335,100
	2011		641,486	236,185
	2010		458,221	
	2009		217,973	21,070
	2008		135,005	

BOROUGH OF WOODLAND PARK

Supplementary Data, Continued

Officials in Office and Surety Bonds

<u>Name</u>	<u>Title</u>	<u>Amount of bond</u>
Keith Kazmark	Mayor	
Tina Gatti	Council President	
Robert Vargas	Councilman to 6/13/12	
Vincent DeCesare	Councilman from 6/13/12	
Rita Pascrell	Councilwoman	
Gary Holloway	Councilman	
Domenic DiDomenico	Councilman	
Kevin Galland	Administrator, Municipal Clerk, Officer of Searches of Municipal Improvements	
Frederick Tomkins	Chief Financial Officer	
	Tax Search Official	
	Water Rent Collector	
	Treasurer of Library	(A)
Ann Purzycki	Treasurer	(A)
Vincent Buttiglieri	Tax Collector	200,000
George Galbraith	Department of Public Works - Superintendent	(A)
James DeBlock	Superintendent of Water Pollution Control	(A)
Anthony Galietti	Police Chief	(A)
Toni Belford Damiano	Magistrate	5,000
Frances Trawinski	Court Administrator	50,000
Tim Henderson	Tax Assessor	(A)
T & M	Engineer	
Albert Buglione	Municipal Attorney	

(A) - Public Employees Faithful Performance Bond of \$100,000 on each employee.

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$	3,899,751
Increased by receipts:			
Miscellaneous revenue not anticipated	\$	428,601	
Senior citizens' and veterans' reimbursements -			
State of New Jersey		131,500	
Taxes receivable		43,542,602	
Revenue accounts receivable		2,267,936	
Prepaid taxes		180,049	
Various Reserves		270,382	
Tax Overpayments			
Library State Aid		5,231	
Interfunds		192,316	
State and Federal Grants Receivable		300,599	
Special Emergency Note		90,000	
			<u>47,409,216</u>
			51,308,967
Decreased by disbursements:			
2012 Budget Appropriations		12,972,717	
2011 Appropriations Reserves		464,487	
Interfunds		168,636	
Accounts Payable		693	
Various Reserves		137,746	
Tax overpayments		23,961	
County taxes payable		11,156,933	
Added County Taxes		81,373	
Local district school taxes		13,957,972	
Regional high school taxes		5,986,325	
Prior year grant encumbrances paid		444,976	
Refund of prior years' revenue		5,055	
Special Emergency Note		135,000	
State and Federal Grants Appropriated Reserves		193,813	
			<u>45,729,687</u>
Balance, December 31, 2012		\$	<u>5,579,280</u>
		Difference	(13,309)
			5,592,589

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Collector-Treasurer

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$	3,899,751
Increased by receipts:			
Miscellaneous revenue not anticipated	\$	428,601	
Senior citizens' and veterans' reimbursements -			
State of New Jersey		145,500	
Taxes receivable		43,542,602	
Revenue accounts receivable		2,267,245	
Prepaid taxes		180,049	
Various Reserves		270,382	
Tax Overpayments			
Library State Aid		5,231	
Interfunds		192,316	
State and Federal Grants Receivable		300,599	
Special Emergency Note		90,000	
			<u>47,422,525</u>
			51,322,276
Decreased by disbursements:			
2012 Budget Appropriations		12,972,717	
2011 Appropriations Reserves		464,487	
Interfunds		168,636	
Accounts Payable		693	
Various Reserves		137,746	
Tax overpayments		23,961	
County taxes payable		11,156,933	
Added County Taxes		81,373	
Local district school taxes		13,957,972	
Regional high school taxes		5,986,325	
Prior year grant encumbrances paid		444,976	
Refund of prior years' revenue		5,055	
Special Emergency Note		135,000	
State and Federal Grants Appropriated Reserves		193,813	
			<u>45,729,687</u>
Balance, December 31, 2012		\$	<u><u>5,592,589</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Change Fund

Current Fund

Year ended December 31, 2012

<u>Office</u>	Balance Dec. 31, <u>2012</u>	Balance Dec. 31, <u>2011</u>
Collector-treasurer	\$ 200	200
Librarian	10	10
Municipal Court	<u>100</u>	<u>100</u>
	<u>\$ 310</u>	<u>310</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Amount Due From/(To) State of New Jersey
for Senior Citizens' and Veterans' Deductions**

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$	<u>(25,592)</u>
Increased by:			
Senior citizens' deductions per tax billing	\$	31,500	
Veterans' deductions per tax billing		105,750	
Deductions allowed		<u>3,500</u>	
			<u>140,750</u>
			115,158
Decreased by:			
Collection from State of New Jersey		131,500	
Senior Citizens deductions disallowed-State Audit		14,000	
Senior Citizens deductions disallowed		<u>7,750</u>	
			<u>153,250</u>
Balance, December 31, 2012		\$	<u><u>(38,092)</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Taxes Receivable and Analysis of Property Tax Levy

Current Fund

Year ended December 31, 2012

Year	Balance, Dec. 31, 2011	2012 Levy	Added	Collected		Senior Citizen and Veteran Deductions	Canceled	Balance, Dec. 31, 2012
				2011	2012			
2010	\$ 847,691		250		847,691			250
	847,691				847,691			250
2012		43,080,534	452,336	174,404	42,694,911	133,000	138,360	392,195
\$	847,691	43,080,534	452,336	174,404	43,542,602	133,000	138,360	392,445

Analysis of Tax Levy

Tax yield:	
General Purpose Tax	\$ 43,080,534
Added/Omitted Taxes	452,336
	<u>\$ 43,532,870</u>
Tax Levy:	
Local District School Tax	\$ 14,172,939
Regional High School Tax	6,244,173
Municipal Open Space Tax	169,268
County Tax	\$ 11,156,933
County Added and Omitted Taxes	81,373
	<u>11,238,306</u>
	31,824,686
Local Tax for Municipal Purposes	11,475,052
Additional Taxes	233,132
	<u>11,708,184</u>
	<u>\$ 43,532,870</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Property Acquired for Taxes
(at Assessed Valuations) and
Analysis of Balance**

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>4,072,200</u>
Balance, December 31, 2012	\$ <u><u>4,072,200</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Revenue Accounts Receivable

Current Fund

Year ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	<u>Accrued</u>	<u>Collected</u>	Balance Dec. 31, <u>2012</u>
Licenses:				
Alcoholic beverages	\$	23,459	23,459	
Other		45,224	45,224	
Fees and permits		48,019	48,019	
Municipal Court - fines and costs	24,289	339,150	339,355	24,084
Interest and cost on taxes		221,892	221,892	
Interest on Investments		309	309	
Cable Television Franchise Fees		45,370	45,370	
Consolidated Municipal Property Tax Relief Aid		113,521	113,521	
Energy receipts taxes		706,956	706,956	
Watershed Moratorium Offset Aid		6,674	6,674	
Uniform Construction Code		482,777	482,777	
Uniform Fire Safety Act		30,495	30,495	
Reserve for Payment of Debt		100,000	100,000	
Insurance Reimbursements Hurricane Irene		23,000	23,000	
FEMA Reimbursements Hurricane Irene		7,803	7,803	
Sewer Connection Fees		54,150	54,150	
Life Hazard Use Fees		18,932	18,932	
	<u>\$ 24,289</u>	<u>2,267,731</u>	<u>2,267,936</u>	<u>24,084</u>
		Cash Receipts	<u>2,267,936</u>	
			<u>\$ 2,267,936</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Deferred Charges

Current Fund

Year ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Reduced in <u>2012</u>
Emergency Authorizations:		
Demolition of 531 McBride Avenue	15,000	15,000
Hurricane Irene Damages	<u>289,218</u>	<u>289,218</u>
	<u>\$ 304,218</u>	<u>304,218</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Deferred Charges
N.J.S. 40A:4-55 Special Emergency**

Current Fund

Year ended December 31, 2012

<u>Date</u> <u>Authorized</u>	<u>Purpose</u>	<u>Net</u> <u>Amount</u> <u>Authorized</u>	<u>1/5 of</u> <u>Net Amount</u> <u>Authorized</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2011</u>	<u>Reduced</u>	<u>Balance,</u> <u>Dec. 31,</u> <u>2012</u>
12/18/07	Codification of Ordinances	25,000	5,000	5,000	5,000	
11/26/08	Preparation of Master Plan	100,000	20,000	40,000	20,000	20,000
12/16/09	Revaluation	225,000	45,000	135,000	45,000	90,000
				\$ 180,000	70,000	110,000

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Interfunds

Current Fund

Year Ended December 31, 2012

<u>Fund</u>	Due from/(to) Balance <u>Dec. 31, 2011</u>	<u>Increased</u>	<u>Decreased</u>	Due from/(to) Balance <u>Dec. 31, 2012</u>
Federal and State Grant Fund	\$ (295,613)	638,789	300,599	42,577
Animal License Trust Fund		2,325		2,325
Other Trust Fund	19	629	375	273
Municipal Alliance	2	40		42
Open Space Trust			169,268	(169,268)
Community Development Trust Fund	<u>22,764</u>	<u>168,636</u>	<u>191,941</u>	<u>(541)</u>
	<u>\$ (272,828)</u>	<u>810,419</u>	<u>662,183</u>	<u>(124,592)</u>
Due from	22,785	323,406	300,974	45,217
Due to	<u>(295,613)</u>	<u>487,013</u>	<u>361,209</u>	<u>(169,809)</u>
	<u>\$ (272,828)</u>	<u>810,419</u>	<u>662,183</u>	<u>(124,592)</u>
Grant Fund	\$	638,789	300,599	
Interest Earned		669		
Statutory Excess		2,325		
Open Space Tax Levy			169,268	
Receipts			192,316	
Disbursements		<u>168,636</u>		
		<u>\$ 810,419</u>	<u>662,183</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	<u>Paid or Charged</u>	Balance <u>Lapsed</u>
Salaries and Wages Within "CAPS":				
Gen. Administration	\$ 13,965	13,965	160	13,805
Mayor and Council	1,220	1,220		1,220
Collection of Taxes	3,512	3,512		3,512
Finacial Administration	2,393	2,393	1,985	408
Assessment of Taxes	1,179	1,179	919	260
Legal Services and Cost	51	51		51
Planning Board	5	5		5
Zoning Board of Adjustment	305	305		305
Road Repairs and Maintenance	65,479	65,479	3,144	62,335
Police	123,121	123,121	26,372	96,749
Maintenance of Fire Alarm System	1	1		1
Emergency Management	1	1		1
Uniform Fire Safety Act	2,429	2,429	1,149	1,280
Life Hazard Use Fee Payments	969	969		969
Municipal Prosecutor	1,433	1,433		1,433
Public Buildings and Grounds	3,043	3,043	1,993	1,050
Board of Health	3,540	3,540		3,540
Sewer System	7,277	7,277	1,115	6,162
Youth and Senior Citizen Center	940	940	369	571
Vehicle Maintenance	1,057	1,057	317	740
Recreation	24,150	24,150	2,757	21,393
Municipal Court	3,242	3,242	2,051	1,191
Public Defender	337	337		337
Uniform Construction Code	4,301	4,301	3,770	531
Plumbing Inspector	116	116		116
Fire Protection Official	68	68		68
Housing Inspector	737	737	687	50
Elevator Inspections		16		16
Electrical Inspections	1,034	1,017		1,017
Total Salaries and Wages Within "CAPS"	265,905	265,904	46,788	219,116
Other Expenses Within "CAPS":				
Administration	5,651	15,689	13,874	1,815
Elections	549	549		549
Financial Administration				
Annual Audit	34,650	34,650	34,650	
Misc. Other	31,581	31,596	15,109	16,487
Assessment of Taxes	3,833	3,833	3,380	453
Collection of Taxes	10,130	10,421	800	9,621

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and Encumbrances	Paid or Charged	Balance Lapsed
Legal Services and Costs	6,379	20,765	12,785	7,980
Engineering Services and Costs	512	18,269	18,231	38
Planning Board	1,796	1,796	36	1,760
Zoning Board of Adjustment	3,628	3,628	3,196	432
Police	1,508	20,497	18,059	2,438
Maintenance of Fire Alarm System	2,531	6,147	4,310	1,837
Emergency Management Services	2,624	3,212	588	2,624
Clothing Allowance - Fire	2	2		2
Fire - Misc Other Expenses	4,930	11,524	11,522	2
Life Hazard Use Fee	36	1,475	1,039	436
Municipal Court	470	791	727	64
Other Insurance Premiums	2,964	2,964	(51)	3,015
Surety Bond Premiums	871	871		871
Road Repairs and Maintenance	27,857	44,205	16,202	28,003
Garbage & Trash Removal Contract	67,571	67,571	54,794	12,777
Recycling Program	5,061	5,061	2,633	2,428
Sewer System	5,278	11,015	10,090	925
Public Buildings & Grounds	4,415	10,942	7,617	3,325
Vehicle Maintenance	13,735	17,781	4,512	13,269
Board of Health	232	232	63	169
Animal Control Services	1,253	1,253		1,253
Recreation	21,641	22,187	804	21,383
Youth & Senior Citizen Center	8,600	8,629	28	8,601
Celebration of Public Events	3,831	4,126		4,126
Uniform Construction Code	2,829	3,120	59	3,061
Elevator Inspection Fees	3,103	3,103	1,132	1,971
Electrical Inspections	986	986		986
Electric & Gas	25,485	31,814	13,356	18,458
Street Lighting	25,404	32,119	20,947	11,172
Telephone	2,659	5,052	1,142	3,910
Fire Hydrant Services	3,654	3,654	2,936	718
Gasoline	8,114	11,325	3,212	8,113
Emergency-Demolition of 531 McBride Ave	100	15,000	14,900	100
Emergency-Hurricane Irene	12,257	109,432	109,279	153
Total Other expenses Within "CAPS"	<u>358,710</u>	<u>597,286</u>	<u>401,961</u>	<u>195,325</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriation Reserves

Current Fund

Year Ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after Transfers and <u>Encumbrances</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Deferred Charges and Statutory Expenditures Within "CAPS":				
Social Security System (O.A.S.I.)	2,174	2,174	190	1,984
	<u>2,174</u>	<u>2,174</u>	<u>190</u>	<u>1,984</u>
Total Deferred Charges and Statutory Expenditures Within "CAPS"	<u>2,174</u>	<u>2,174</u>	<u>190</u>	<u>1,984</u>
Other Expenses Excluded From "CAPS":				
Passaic Valley Sewerage Charge	3	3		3
Maintenance of Free Public Library	87,378	94,476	94,476	
LOSAP	7,620	7,620		7,620
Group Health Benefits	1,588	1,588	673	915
	<u>96,589</u>	<u>103,687</u>	<u>95,149</u>	<u>8,538</u>
Total Other Expenses Excluded from "CAPS"	<u>96,589</u>	<u>103,687</u>	<u>95,149</u>	<u>8,538</u>
 Total Reserves	 <u>723,378</u>	 <u>969,051</u>	 <u>544,088</u>	 <u>424,963</u>
		Appropriation Reserves Encumbrances		
		<u>723,378</u> <u>245,673</u>		
		<u>\$ 969,051</u>		
		Cash	464,487	
		Transferred to Reserve for Library	<u>79,601</u>	
			<u>\$ 544,088</u>	

Exhibit A-14

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Accounts Payable

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>693</u>
Decreased by:	
Cash Disbursements	\$ <u><u>693</u></u>

Exhibit A-15

Schedule of Reserve for Library State Aid

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 6,123
Increased by:	
Cash Receipts	<u>5,231</u>
Balance, December 31, 2012	\$ <u><u>11,354</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Prepaid Taxes

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	174,404
Increased by:		
Collection of 2013 Taxes		<u>180,049</u>
		354,453
Decreased by:		
Applied to 2012 Taxes		<u>174,404</u>
Balance, December 31, 2012	\$	<u><u>180,049</u></u>

Schedule of Tax Overpayments

Current Fund

Year ended December 31, 2012

Increased by:		
Charged to Operations	\$	<u>23,961</u>
Decreased by:		
Refunded	\$	<u><u>23,961</u></u>

Exhibit A-18

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Road Opening Deposits

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>9,800</u>
Balance, December 31, 2012	\$ <u><u>9,800</u></u>

Exhibit A-19

Schedule of County Taxes Payable

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 83
Increased by:	
2012 Levy	<u>11,156,933</u>
	11,157,016
Decreased by:	
Payments	\$ 11,156,933
Liability Cancelled	<u>83</u>
	\$ <u><u>11,157,016</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Amount Due County for Added Taxes

Current Fund

Year ended December 31, 2012

Increased by:		
2012 Added Taxes	\$	<u>81,373</u>
Decreased by:		
Payments	\$	<u><u>81,373</u></u>

Schedule of Local District School Tax

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011 (school tax deferred)	\$	6,871,501
Increased by levy - school year July 1, 2012 to June 30, 2013		<u>14,172,939</u>
		21,044,440
Decreased by:		
Cash Disbursements		<u>13,957,972</u>
Balance, December 31, 2012 (school tax deferred)	\$	<u><u>7,086,468</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Regional High School Tax

Current Fund

Year ended December 31, 2012

Balance, December 31, 2011		
(Prepaid regional school tax)	\$	(799)
(school tax deferred)		2,864,238
Increased by levy - school year		
July 1, 2012 to June 30, 2013		<u>6,244,173</u>
		9,108,411
Decreased by:		
Cash Disbursements		<u>5,986,325</u>
Balance, December 31, 2012		
(Prepaid regional school tax)		(799)
(school tax deferred)	\$	<u><u>3,122,087</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Various Reserves

Current Fund

Year ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance Dec. 31, <u>2012</u>
\$				
Premium on Tax Title Liens	131,900	245,400	63,000	314,300
Library grant	80			80
Master Plan	2,771		1,736	1,035
Tax Map	500			500
Codification	10,025		6,650	3,375
Elevator Fees	290			290
State Fees Payable:				
DCA Fees	1,939	22,782	21,285	3,436
Marriage License Fees	1,425	2,200	2,400	1,225
Burial Permit Fees	260		260	
Other Fees	1,901			1,901
Reserve for:				
Snow Removal		26,000		26,000
Celebration of Public Events		8,872		8,872
Tax Appeals	362,532		41,255	321,277
Library - Capital Improvements	333,601	162,024		495,625
Library-Appropriated	82,423		82,423	
Revaluation	21,520		21,520	
Reserve for Sale of Assets	2,359			2,359
Reserve for Salary and Wages	118,558			118,558
	<u>\$ 1,072,084</u>	<u>467,278</u>	<u>240,529</u>	<u>1,298,833</u>
Transferred from Appropriations		34,872		
Transferred from Appropriation Reserves		79,601		
Reallocation of Reserve Balances		82,423	82,423	
Liability cancelled			260	
Premium cancelled to Operations - Foreclosure			20,100	
Cash Receipts		270,382		
Cash Disbursements			137,746	
		<u>\$ 467,278</u>	<u>240,529</u>	

BOROUGH OF WOODLAND PARK, N.J.
Schedule of Special Emergency Note Payable

Current Fund

Year Ended December 31, 2012

<u>Note</u>	<u>Date of Original Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Balance, Dec.31, 2011</u>	<u>Issued</u>	<u>Payments</u>	<u>Balance, Dec.31, 2012</u>
12-1RSEN	Dec. 29, 2011	Dec. 14, 2012	Dec. 13, 2013	1.25%	\$ <u>135,000</u>	<u>90,000</u>	<u>135,000</u>	<u>90,000</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Due to/(from) Current Fund

Federal and State Grant Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$	(295,613)
Increased by:			
Grants Received - Appropriated			<u>300,599</u>
			(596,212)
Decreased by:			
Cash Disbursements -			
Appropriated Grant Reserves	\$	193,813	
Prior Year Encumbrances Paid		<u>444,976</u>	
			<u>638,789</u>
Balance, December 31, 2012		\$	<u><u>42,577</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Grants Receivable

Federal and State Grant Fund

Year ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	2012 Budget Revenue	Cash Receipts	Balance Dec. 31, <u>2012</u>
Safe and Secure	\$ 49,601	60,000	79,601	30,000
Universal COPS	16,750			16,750
COPS MORE	23,270			23,270
Recycling Tonnage		18,336	18,336	
Body Armor	2,453			2,453
Over the Limit Under Arrest	5,133			5,133
Clean Communities		16,332	16,332	
Passaic County Open Space-Dowling Place	27			27
Passaic County Open Space-Dowling Park	48,807		6,022	42,785
Passaic County Open Space-Zaccaria Park	151		151	
Passaic County Open Space-Zaccaria Park	175,000		81,788	93,212
Passaic County Open Space-Morris Canal	50,039		50,039	
Passaic County Open Space-Morris Canal	134,061		26,903	107,158
DOT - Newby Street	8,357			8,357
Peckman River	1,750			1,750
NJ Historic Trust-Morris Canal	1,600			1,600
Drive Sober or get Pulled Over		4,366	4,366	
Body Armor		2,777	2,777	
Alcohol Education Rehabilitation Fund		323	323	
NJDOT - Overmont Ave Improvements		250,000	250,000	
NJDOT - Mt. Pleasant Ave Improvements	251,220			251,220
Drunk Driving Enforcement Fund		1,387	1,387	
Passaic County Open Space-Zaccaria Park	12,884		12,884	
Passaic County Open Space-Dowling Park Fountain		100,000		100,000
Homeland Security - Firefighters Assistance	3			3
	<u>\$ 781,106</u>	<u>453,521</u>	<u>550,909</u>	<u>683,718</u>
		Cash	300,599	
		Canceled	<u>250,310</u>	
			<u>\$ 550,909</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriated Reserves

Federal and State Grants

Year ended December 31, 2012

<u>Grant</u>	Balance Dec. 31, 2011	Transferred from 2012 Budget Appro- priations	<u>Expended</u>	Balance Dec. 31, 2012
Drunk Driving Enforcement Fund	\$ 1,181			1,181
Stormwater Regulation	2,552			2,552
Clean Communities	9,623		5,971	3,652
Clean Communities	1,698		1,698	
Clean Communities		16,332	5,774	10,558
COPS MORE	1,800			1,800
COPS in Schools	21,062			21,062
Statewide Livable Communities	126			126
Peckman River	1,750			1,750
Alcohol Education Rehabilitation Fund	126			126
Alcohol Education Rehabilitation Fund	245			245
Recycling Tonnage Grant	8,253			8,253
Over the Limit Under Arrest	762			762
School Policing	19,628			19,628
Passaic County Open Space-Dowling Park	45,785		690	45,095
Passaic County Open Space-Morris Canal	45,259		1,563	43,696
Passaic County Open Space-Morris Canal	60,221		60,221	
Safe and Secure	79,601	60,000	74,126	65,475
Safe and Secure	2,431			2,431
Drunk Driving Enforcement Fund	1,016		755	261
Special Purpose Grant Roof	50,000			50,000
Body Armor		2,777		2,777
Recycling Tonnage Grant		18,336		18,336
Recycling Tonnage Grant	979		831	148
Recycling Tonnage Grant	4,085			4,085
Recycling Tonnage Grant	7,456			7,456
Recycling Tonnage Grant	27,893			27,893
US Dept of Housing - Morris Canal Bike Path	3,202		3,202	
DOT - Newby Street	700			700
Safe and Secure	3,869		3,869	
Recycling Tonnage Grant	11,932			11,932
Bullet Proof Vest	141			141
Clean Communities	2,753		2,753	
Drive Sober or Get Pulled Over		4,366	4,366	
Alcohol Education Rehabilitation Fund		323		323

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Appropriated Reserves

Federal and State Grants

Year ended December 31, 2012

<u>Grant</u>	Balance Dec. 31, 2011	Transferred from 2012 Budget Appro- priations	<u>Expended</u>	Balance Dec. 31, 2012
NJDOT - Overmont Ave Improvements		250,000	250,000	
NJDOT - Mt. Pleasant Ave Improvements	121,295		35,940	85,355
Drunk Driving Enforcement Fund	282			282
Drunk Driving Enforcement Fund		1,387		1,387
Over the Limit Under Arrest	4,371			4,371
Passaic County Open Space - Zaccaria Park	200		(100)	300
Passaic County Open Space - Zaccaria Park	85,929		(6,031)	91,960
Body Armor	907		907	
Body Armor	2,630		2,511	119
Passaic County Open Space - Dowling Park Fountain		100,000		100,000
	<u>\$ 631,743</u>	<u>453,521</u>	<u>449,046</u>	<u>636,218</u>
		Cash	193,813	
		Cancelled	250,310	
		Encumbered	<u>4,923</u>	
			<u>\$ 449,046</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Treasurer

Trust Funds

Year ended December 31, 2012

	Dog License Fund	Other Trust Fund	New Jersey Unem- ployment Insurance Fund	Community Development Trust Fund	Emergency Services LOSAP Trust
Balance, December 31, 2011	\$ 4,027	1,033,036	3,865		701,704
Increased by receipts:					
Due to State - Animal License Fees	251				
Dog License Fees	1,490				
Escrow Deposits		146,966			
Performance Bonds		115			
Drug and Alcohol Alliance		31,912			
Open Space Trust		230			
Affordable Housing		198			
Dedicated Fire Penalty		6,900			
Recreation		89,492			
POAA		1,008			
Unemployment Contributions			7,622		
Interfunds				100	
Interest		669	14		58,938
Contributions					79,170
	1,741	277,490	7,636	100	138,108
	5,768	1,310,526	11,501	100	839,812
Decreased by disbursements:					
Dog Expenditures	415				
Due to State	248		8,228		
Escrow Deposits		240,335			
Drug and Alcohol Alliance		19,421			
Open Space Trust		115,617			
Dedicated Fire Penalty		2,808			
Recreation		93,998			
Affordable Housing		183,226			
POAA		2,928			
Interfunds		375			
Benefit Distributions					64,080
	663	658,708	8,228		64,080
Balance, December 31, 2012	\$ 5,105	651,818	3,273	100	775,732

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Assessments Receivable

Trust Funds

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of confirmation</u>	<u>Annual install-ments</u>	<u>Balance Dec. 31, 2011</u>	<u>Balance, Dec. 31, 2012</u>	<u>Balance pledged to reserve</u>
68-16	Construction of concrete curbs on Alcazar and Zoar Sts.	Dec. 21, 1977	3	\$ 420	420	420
71-6	Construction of concrete curbs on Rose Place	Jan. 12, 1983	3	605	605	605
72-6	Improvement of Rose Place - sanitary sewers	Jan. 12, 1983	3	924	924	924
74-8	Curbs and sidewalks in Garden Avenue from Woodrow Avenue 200 ft. north of Taft Avenue	Dec. 9, 1987	3	4,170	4,170	4,170
				<u>\$ 6,119</u>	<u>6,119</u>	<u>6,119</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Assessments

Trust Funds

Year ended December 31, 2012

<u>Ord.</u> <u>No.</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2011</u>	Balance, Dec. 31, <u>2012</u>
Assessment receivable:			
68-16	Construction of concrete curbs on Alcazar and Zoar Streets \$	420	420
71-6	Construction of curbs in portion of Mt. Pleasant Avenue both sides from McBride Avenue	605	605
72-6	8" Sanitary sewer - Rose Place from the existing sanitary sewer easterly 180 linear feet	924	924
74-8	Curbs and sidewalks in Garden Avenue from Woodrow Avenue 200 ft. north of Taft Ave.	<u>4,170</u>	<u>4,170</u>
		<u>\$ 6,119</u>	<u>6,119</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Amount Due from/(to) the State of New Jersey

Trust Funds

Year ended December 31, 2012

	Due (from)/to Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Due (from)/to Dec. 31, <u>2012</u>
Animal Control Trust Fund:				
Animal Control License Fees	<u>(30)</u>	<u>281</u>	<u>248</u>	<u>3</u>
	<u>\$ (30)</u>	<u>281</u>	<u>248</u>	<u>3</u>
			248	
Disbursements			248	
Prior year overpayment cancelled to reserve		30		
Receipts		<u>251</u>		
		<u>\$ 281</u>	<u>248</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Due from/(to) Current Fund

Trust Funds

Year ended December 31, 2012

	Due (from)/to Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Due (from)/to Dec. 31, <u>2012</u>
Animal Control Trust Fund:	\$	2,325		2,325
Other Trust Fund:				
Escrow	19	629	375	273
Recreation				
Municipal Alliance	2	40		42
Open Space Trust Fund:			169,268	(169,268)
Community Development Trust Fund:	<u>22,764</u>	<u>168,636</u>	<u>191,941</u>	<u>(541)</u>
	<u>\$ 22,785</u>	<u>171,630</u>	<u>361,584</u>	<u>(167,169)</u>

Grants Received in Current Fund	\$	191,941
Open Space Tax Collections		169,268
Cash Disbursements		375
Statutory Excess	2,325	
Interest Earnings	669	
Reimburse expenses paid by Current Fund	168,536	
Cash Receipts	<u>100</u>	
	<u>\$ 171,630</u>	<u>361,584</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Community Development Block Grants Receivable

Community Development Trust Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 242,000
Decreased by:	
Cash Received in Current Fund	<u>191,941</u>
Balance, December 31, 2012	<u><u>\$ 50,059</u></u>
	<u>Analysis of Balance</u>
Rockland Avenue Street Improvements	<u>50,059</u>
	<u><u>\$ 50,059</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Dog Fund Expenditures

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011		\$	4,057
Increased by:			
Dog License Fees Collected			<u>1,490</u>
			5,547
Decreased by:			
Expenditures under R.S. 4:19-15.11	\$	415	
Adjustment for prior year overpayment to State of New Jersey		30	
Statutory excess Due to Current Fund		<u>2,325</u>	
			<u>2,770</u>
Balance, December 31, 2012		\$	<u><u>2,777</u></u>

License fees collected

<u>Year</u>	<u>Amount</u>
2012	1,410
2011	<u>1,370</u>
	\$ <u><u>2,780</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Expenditures -
Other Trust Funds

Trust Funds

Year ended December 31, 2012

	Balance Dec. 31, <u>2011</u>	<u>Deposits</u>	<u>Payments</u>	Balance Dec. 31, <u>2012</u>
Escrow Deposits	\$ 470,089	146,966	240,335	376,720
Performance Bonds	57,353	115		57,468
Drug and Alcohol Alliance	4,176	31,912	19,421	16,667
Open Space	293,547	169,498	115,617	347,428
Affordable Housing	183,226	198	183,226	198
Dedicated Fire Penalty	11,845	6,900	2,808	15,937
Recreation	9,373	89,492	93,998	4,867
POAA	3,406	1,008	2,928	1,486
	<u>\$ 1,033,015</u>	<u>446,089</u>	<u>658,333</u>	<u>820,771</u>
Due From Current Fund		169,268		
ransferred to NJ Housing & Mortgage Financing Agency			183,226	
Cash		<u>276,821</u>	<u>475,107</u>	
		<u>\$ 446,089</u>	<u>658,333</u>	

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Reserve for New Jersey Unemployment
Compensation Insurance Fund**

Trust Funds

Year ended December 31, 2012

Balance, December 31, 2011		\$	3,865
Increased by:			
Employee Payroll Deductions Received	\$	7,622	
Interest earned on deposits		<u>14</u>	
			<u>7,636</u>
			11,501
Decreased by:			
Unemployment Claims			<u>8,228</u>
Balance, December 31, 2012		\$	<u><u>3,273</u></u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Reserve for
Community Development Block Grants**

Community Development Trust Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	219,236
Decreased by:		
Expenditures paid by Current Fund		<u>168,536</u>
Balance, December 31, 2012	\$	<u><u>50,700</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Statement of Service Award Contributions Receivable

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2012

Balance, December 31, 2011	79,170
Increased by:	
2012 Service Award Contributions	<u>77,952</u>
	157,122
Decreased by:	
Contributions Received	<u>79,170</u>
Balance, December 31, 2012	<u><u>\$ 77,952</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Statement of Net Assets Available for Benefits

Emergency Services Volunteer Length of Service Award Program

Year ended December 31, 2012

Balance, December 31, 2011		780,874
Increased by:		
Borough Contributions	\$	77,952
Investment Income		<u>58,938</u>
		<u>136,890</u>
		917,764
Decreased by:		
Benefit Distributions		<u>64,080</u>
Balance, December 31, 2012	\$	<u><u>853,684</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Treasurer

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$	819,813
Increased by Receipts:			
Reserve for Payment of Debt	\$	161,616	
Fund Balance		3,945	
Capital Improvement Fund		100,000	
Bond Anticipation Notes		<u>1,300,000</u>	
			<u>1,565,561</u>
			2,385,374
Decreased by Disbursements:			
Improvement Authorizations		947,188	
Encumbrances		22,127	
Reserve for Payment of Debt		<u>100,000</u>	
			<u>1,069,315</u>
Balance, December 31, 2012		\$	<u><u>1,316,059</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Analysis of Cash

General Capital Fund

December 31, 2012

Capital Improvement Fund	\$	68,961
Grant Receivable - Department of Transportation		(261,189)
Grant Receivable - Department of Agriculture		(2,298)
Grant Receivable - Community Development Block Grant		(425,581)
Due from NJ Wastewater Trust Fund Loan		(4,326)
Reserve for Encumbrances		306,304
Reserve for Payment of Debt		467,682
Fund Balance		3,945

Improvement authorizations:

<u>Ordinance number</u>	<u>Improvement description</u>	
99-20	Various Public Improvements	20,267
01-02	Renovation of Youth and Senior Center	(3,030)
01-04	Tax Refunds	47,811
01-08	Reconstruction/Repaving of Sunset Avenue	41,236
02-05	Acquisition of Property	32,626
02-06	Reconstruction of Mt. Pleasant Ave, Sec 2	10,230
02-11	Reconstruction of Jackson Ave	21,123
03-12	Sewer Improvement Project	(44,323)
03-06	Resurfacing of Various Roads	23,495
04-05	Various Improvements	285
04-6	Refunding Ordinance	4,974
05-18	Williams Drive Road Resurfacing Phase III	77
05-19	Various Capital Improvements	999
06-06	Various Improvements	98,552
06-17	Various Improvements	5,113
07-11	Various Improvements	73,212
08-08	Various Improvements	408,503
09-06	Various Public Improvements	98,381
09-15	Tax Appeal Refunds	34,984
11-19	Various Public Improvements	(486,115)
11-21	Various Public Improvements	958,164
12-09	Various Public Improvements	(184,003)
		<u>\$ 1,316,059</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Deferred Charges to Future
Taxation - Funded**

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$ 14,371,489
Decreased by:		
Serial bonds paid via Budget appropriation	\$ 700,000	
Capital Lease Payment	15,000	
Wastewater Loan Budget Appropriations	<u>92,400</u>	
		<u>807,400</u>
Balance, December 31, 2012		\$ <u><u>13,564,089</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Deferred Charges to Future Taxation - Unfunded

General Capital Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Balance, Dec. 31, 2011</u>	<u>Authorizations</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>	<u>Bond anticipation notes</u>	<u>Expenditures</u>	<u>Unexpended improvement authorizations</u>
General improvements:								
01-02	Renovation of Youth and Senior Center	3,030			3,030		3,030	
03-12	Sewer Improvement Project	44,323			44,323		44,323	
09-06	Various Public Improvements	7,226			7,226			7,226
09-15	Tax Appeal Refunds	1,025,000		125,000	900,000	900,000		
11-19	Various Public Improvements	509,500			509,500		486,115	23,385
11-21	Various Public Improvements	1,333,000			1,333,000	1,300,000		33,000
12-09	Various Public Improvements		796,000		796,000		184,003	611,997
		<u>\$ 2,922,079</u>	<u>796,000</u>	<u>125,000</u>	<u>3,593,079</u>	<u>2,200,000</u>	<u>717,471</u>	<u>675,608</u>
				<u>Budget Appropriation</u>				<u>125,000</u>
								Improvement authorizations - unfunded \$ 1,668,756
								Less unexpended proceeds of bond anticipation notes:
						<u>Ordinance Number</u>		
						11-21		958,164
						09-15		<u>34,984</u>
								<u>\$ 675,608</u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Grants Receivable - State
Department of Transportation**

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	11,189
Increased by:		
Grant Awards		<u>250,000</u>
Balance, December 31, 2012	\$	<u><u>261,189</u></u>

<u>Analysis of Balance</u>		
Williams Drive, Ord. 04-5		7,174
Lackawana Ave. Curbs and Sidewalks Ord. 04-5		4,015
Improvements to Overmont Ave, Ord. 12-09		<u>250,000</u>
	\$	<u><u>261,189</u></u>

Exhibit C-7

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Grants Receivable -
Department of Agriculture**

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>2,298</u>
Balance, December 31, 2012	\$ <u><u>2,298</u></u>

Exhibit C-8

**Schedule of New Jersey Wastewater Trust Fund
Loans Receivable**

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>4,326</u>
Balance, December 31, 2012	\$ <u><u>4,326</u></u>

<u>Analysis of Balance</u>	
Rifle Camp Sewer Project, Ord. 2003-12; Trust Loan	<u>4,326</u>
	\$ <u><u>4,326</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Community Development Block Grant Receivable

General Capital Fund

Year ended December 31, 2012

Increased by:

Grant Awards \$ 425,581

Balance, December 31, 2012 \$ 425,581

Analysis of Balance

Improvements to Woodrow Ave, Ord. 12-09 183,581
Improvements to Rockland Ave., Ord. 12-09 242,000

\$ 425,581

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Capital Improvement Fund

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	9,380
Increased by:		
2012 Budget Appropriation		<u>100,000</u>
		109,380
Decreased by:		
Appropriated to Finance Improvement Authorizations		<u>40,419</u>
Balance, December 31, 2012	\$	<u><u>68,961</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Improvement Authorizations

General Capital Fund

Year ended December 31, 2012

Ordinance number	Improvement description	Date	Ordinance Amount	Balance, December 31, 2011		2012 authorization	Paid or charged	Balance, December 31, 2012	
				Funded	Unfunded			Funded	Unfunded
General improvements:									
99-20	Various Public Improvements	Aug. 4, 1999	606,000	6,456			(13,811)	20,267	
01-04	Tax Refunds	Aug. 15, 2001	600,000	47,811				47,811	
01-08	Reconstruction/Repaving of Sunset Avenue	Oct. 17, 2001	205,000	41,236				41,236	
02-05	Acquisition of Property	Apr. 24, 2002	225,000	32,626				32,626	
02-06	Reconstruction of Mt. Pleasant Ave, Sec 2	Apr. 24, 2002	245,000	10,230				10,230	
02-11	Reconstruction of Jackson Ave	Aug. 14, 2002	230,000	21,123				21,123	
03-06	Resurfacing of Various Roads	Mar. 19, 2003	74,000	23,495				23,495	
04-5	Various Improvements	Mar. 17, 2004	2,572,000				(285)	285	
04-6	Refunding Ordinance	May 19, 2004	360,000	4,974				4,974	
05-18	Williams Drive Road Resurfacing Phase III	Aug. 17, 2005	300,000				(77)	77	
05-19	Various Public Improvements	Oct. 19, 2005	175,000	683			(316)	999	
06-06	Various Public Improvements	Jun. 21, 2006	1,750,000	98,552				98,552	
06-17	Various Public Improvements	Dec. 22, 2006	161,885	5,113				5,113	
07-11	Various Public Improvements	Jun. 17, 2007	1,505,500	78,835			5,623	73,212	
08-08	Various Public Improvements	Jun. 18, 2008	2,196,435	332,394			(76,109)	408,503	
09-06	Various Public Improvements	May 6, 2009	1,574,000	126,448	7,226		28,067	98,381	7,226
09-15	Tax Appeal Refunds	Oct. 21, 2009	1,150,000		35,711		727		34,984
11-19	Various Public Improvements	Dec. 7, 2011	535,000		24,219		834		23,385
11-21	Various Public Improvements	Dec. 28, 2011	1,400,000	67,000	1,333,000		408,836		991,164
12-09	Various Public Improvements	June 6, 2012	1,512,000			1,512,000	900,003		611,997
				\$ 896,976	1,400,156	1,512,000	1,253,492	886,884	1,668,756
						Capital Improvement Fund	40,419		
						Deferred Charges Unfunded	796,000		
						Grants Receivable	675,581		
						\$ 1,512,000			
							Cash	947,188	
							Encumbrances	306,304	
							\$ 1,253,492		

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Encumbrances

General Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	22,127
Increased by:		
Charges to Improvement Authorizations		<u>306,304</u>
		328,431
Decreased by:		
Expended		<u>22,127</u>
Balance, December 31, 2012	\$	<u><u>306,304</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Payment of Debt

General Capital Fund

Year ended December 31, 2012

<u>Ordinance</u>		<u>Dec. 31,</u> <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	<u>Dec. 31,</u> <u>2012</u>
99-20	Various Public Improvements	\$ 90,309		87,409	2,900
04-05	Various Improvements	315,757		12,591	303,166
11-19	Various Improvements		161,616		161,616
		<u>\$ 406,066</u>	<u>161,616</u>	<u>100,000</u>	<u>467,682</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bond Anticipation Notes

General Capital Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Date of original issue</u>	<u>Date of issue</u>	<u>Date of maturity</u>	<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance, Dec. 31, 2012</u>
09-15	Tax Appeal Refunds	Dec. 17, 2009	Dec. 14, 2012	Dec. 13, 2013	1.25%		1,300,000		1,300,000
11-21	Various Public Improvements	June 7, 2012	June 7, 2012	June 7, 2013	1.03%	<u>1,025,000</u>	<u>900,000</u>	<u>1,025,000</u>	<u>900,000</u>
						<u>\$ 1,025,000</u>	<u>2,200,000</u>	<u>1,025,000</u>	<u>2,200,000</u>
							Renewed \$ 900,000	900,000	
							Cash 1,300,000		
							Budget Appropriation	125,000	
							<u>\$ 2,200,000</u>	<u>1,025,000</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of General Serial Bonds

General Capital Fund

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding, December 31, 2012</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds	Oct. 15, 2001	4,322,000	Oct. 15, 2013	390,000	4.30%	\$ 2,052,000	375,000	1,677,000
			Oct. 15, 2014	400,000	4.30%			
			Oct. 15, 2015	450,000	4.30%			
			Oct. 15, 2016	437,000	4.30%			
Refunding Bonds	Aug. 1, 2005	2,015,000	Aug. 1, 2013	235,000	3.75%	1,310,000	225,000	1,085,000
			Aug. 1, 2014	255,000	3.60%			
			Aug. 1, 2015	265,000	3.75%			
			Aug. 1, 2016	275,000	3.75%			
			Aug. 1, 2017	55,000	4.00%			
General Improvement Bonds	July 15, 2009	9,500,000	July 15, 2013	105,000	3.00%	9,375,000	100,000	9,275,000
			July 15, 2014	110,000	3.00%			
			July 15, 2015	120,000	4.00%			
			July 15, 2016	150,000	4.00%			
			July 15, 2017	555,000	4.00%			
			July 15, 2018	590,000	4.00%			
			July 15, 2019	625,000	4.00%			
			July 15, 2020	650,000	4.00%			
			July 15, 2021	650,000	4.00%			
			July 15, 2022	810,000	4.00%			
			July 15, 2023	845,000	4.00%			
			July 15, 2024	945,000	4.00%			
			July 15, 2025	1,000,000	4.00%			
			July 15, 2026	1,050,000	4.00%			
			July 15, 2027	1,070,000	4.00%			
						<u>\$ 12,737,000</u>	<u>700,000</u>	<u>12,037,000</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Capital Leases Payable

General Capital Fund

Year ended December 31, 2012

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2012		Interest rate	Balance, Dec. 31, 2011	Decreased	Balance, Dec. 31, 2012
			Date	Amount				
Bergen County Improvement Authority - Pooled Early Retirement Unfunded Liability Project	Mar. 31, 2003	\$ 405,000	Mar. 15, 2013	20,000	5.50%	\$ 365,000	15,000	350,000
			Mar. 15, 2014-15	25,000	6.00%			
			Mar. 15, 2016	30,000	6.00%			
			Mar. 15, 2017	35,000	6.00%			
			Mar. 15, 2018	45,000	6.00%			
			Mar. 15, 2019	50,000	6.00%			
			Mar. 15, 2020	55,000	6.00%			
			Mar. 15, 2021	65,000	6.00%			
						\$ 365,000	15,000	350,000

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Fund Loans Payable

General Capital Fund

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2012</u>		<u>Interest Rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Wastewater Treatment Facilities	Oct. 15, 2003	420,000	Feb. 1, 2013	4,184	0.00%	214,794	23,075	191,719
			Aug. 1, 2013	18,191				
			Feb. 1, 2014	3,834				
			Aug. 1, 2014	17,841				
			Feb. 1, 2015	3,484				
			Aug. 1, 2015	17,491				
			Feb. 1, 2016	3,203				
			Aug. 1, 2016	17,211				
			Feb. 1, 2017	2,923				
			Aug. 1, 2017	19,732				
			Feb. 1, 2018	2,570				
			Aug. 1, 2018	19,379				
			Feb. 1, 2019	2,213				
			Aug. 1, 2019	19,022				
			Feb. 1, 2020	1,793				
			Aug. 1, 2020	18,601				
			Feb. 1, 2021	1,373				
Aug. 1, 2021	18,674							

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Trust Loans Payable

General Capital Fund

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of Bonds Outstanding, December 31, 2012</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
Wastewater Treatment Facilities	Oct. 15, 2003	480,000	Aug. 1, 2013-14	\$ 25,000	5.000%	\$ 350,000	25,000	325,000
			Aug. 1, 2015-16	25,000	4.000%			
			Aug. 1, 2017	30,000	4.200%			
			Aug. 1, 2018	30,000	4.250%			
			Aug. 1, 2019-20	30,000	5.000%			
			Aug. 1, 2021	35,000	4.500%			
			Aug. 1, 2022-23	35,000	4.750%			
Wastewater Treatment Facilities	Nov. 4, 2004	485,000	Aug. 1, 2013	25,000	5.000%	375,000	20,000	355,000
			Aug. 1, 2014-16	25,000	4.000%			
			Aug. 1, 2017	25,000	5.000%			
			Aug. 1, 2018-20	30,000	5.000%			
			Aug. 1, 2021-22	35,000	5.000%			
			Aug. 1, 2023	35,000	4.250%			
			Aug. 1, 2024	35,000	4.375%			
						<u>\$ 725,000</u>	<u>45,000</u>	<u>680,000</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

General Capital Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2011</u>	<u>Increased</u>	<u>Decreased</u>	Balance, Dec. 31, <u>2012</u>
01-02	Reconstruction/Repaving of Meriline Ave	3,030			3,030
03-12	Sewer Improvements	44,323			44,323
09-06	Various Public Improvements	7,226			7,226
11-19	Various Public Improvements	509,500			509,500
11-21	Various Public Improvements	1,333,000		1,300,000	33,000
12-09	Various Public Improvements		796,000		796,000
		<u>\$ 1,897,079</u>	<u>796,000</u>	<u>1,300,000</u>	<u>1,393,079</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Cash - Treasurer

Water Utility Fund

Year ended December 31, 2012

	<u>Operating</u>	<u>Capital</u>
Balance, December 31, 2011	\$ <u>762,561</u>	<u>887,033</u>
Increased by receipts:		
Water collector	1,649,708	
Overpayments	5,607	
Miscellaneous	<u>70,146</u>	
	<u>1,725,461</u>	
	2,488,022	887,033
Decreased by disbursements:		
2012 Appropriations	1,593,721	
2011 Appropriation Reserves	110,502	
Refunds	6,460	
Accrued interest on debt	<u>31,015</u>	
	<u>1,741,698</u>	
Balance, December 31, 2012	\$ <u><u>746,324</u></u>	<u><u>887,033</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Analysis of Cash

Water Utility Capital Fund

December 31, 2012

	Balance, Dec. 31, <u>2012</u>
Capital Improvement Fund	\$ 37,179
Down Payments on Improvements	1,500
Reserve for Payment of Debt	225,463
Fund Balance	555
Improvement Authorizations:	
<u>Ordinance</u>	
<u>number</u>	<u>General improvements</u>
91-1	Reconditioning of water storage tank
96-8	Rehabilitation of Water Mains
96-14	Acquisition of a Backhoe
99-8	Phase I of Extension to Water System
04-16	Water System Improvements
00-09	Water System Improvements
	619,343
	\$ 887,033

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Deferred Charges -
Emergency Authorizations**

Water Utility Operating Fund

Year ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Decreased by: <u>Budget</u>
Emergency Authorization - Hurricane Irene Damages	\$ <u>20,000</u>	<u>20,000</u>
	\$ <u><u>20,000</u></u>	<u><u>20,000</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Consumers' Accounts Receivable

Water Utility Operating Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	119,848
Increased by:		
2012 Levy		<u>1,675,652</u>
		1,795,500
Decreased by:		
Cash receipts		<u>1,649,708</u>
Balance, December 31, 2012	\$	<u><u>145,792</u></u>

BOROUGH OF WOODLAND PARK, N.J.

**Schedule of Due from New Jersey Environmental Infrastructure Trust -
Unexpended Loan Proceeds - Project Credits Receivable**

Water Utility Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$	153,958
Decreased by:		
Project Credit Issued		<u>25,000</u>
Balance, December 31, 2012	\$	<u><u>128,958</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Fixed Capital

Water Utility Capital Fund

Year ended December 31, 2012

<u>Account</u>	Balance, Dec. 31, <u>2011</u>	Balance, Dec. 31, <u>2012</u>
Distribution	\$ 637,088	637,088
Meters	27,525	27,525
Passaic Valley Water Commission contribution on main	23,103	23,103
Easement	160	160
Various equipment	19,435	19,435
Equipment - tractor shovel	2,800	2,800
Equipment - bucket loader	5,800	5,800
Water storage tank	157,000	157,000
Water distribution system	1,522,900	1,522,900
Water mains	156,000	156,000
Backhoe	18,500	18,500
	<u>\$ 2,570,311</u>	<u>2,570,311</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Fixed Capital Authorized and Uncompleted

Water Utility Capital Fund

Year ended December 31, 2012

Ordinance number	Improvement description	Ordinance		Balance, Dec. 31, 2011	Balance, Dec. 31, 2012
		Date	Amount		
04-16	Water System Improvements	Aug. 4, 2004	1,400,000	\$ 1,081,710	1,081,710
				\$ 1,081,710	1,081,710

BOROUGH OF WOODLAND PARK, N.J.

Schedule of 2011 Appropriation Reserves

Water Utility Operating Fund

Year ended December 31, 2012

	Balance, Dec. 31, <u>2011</u>	Balance after transfers and <u>encumbrances</u>	Paid or <u>charged</u>	Balance <u>Lapsed</u>
Operating:				
Salaries and Wages	\$ 17,761	17,761	13,201	4,560
Other Expenses	60,557	97,301	97,301	
Social Security	2,551	2,551		2,551
Unemployment Compensation	<u>100</u>	<u>100</u>		<u>100</u>
	<u>\$ 80,969</u>	<u>117,713</u>	<u>110,502</u>	<u>7,211</u>
Appropriation Reserves		80,969		
Encumbrances		<u>36,744</u>		
		<u>\$ 117,713</u>		

Exhibit D-12

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Outside Liens

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>1,911</u>
Balance, December 31, 2012	\$ <u><u>1,911</u></u>

Exhibit D-13

Schedule of Overpayments

Water Utility Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 6,460
Increased by:	
Receipts	<u>5,607</u>
	12,067
Decreased by:	
Refunded	<u>6,460</u>
Balance, December 31, 2012	\$ <u><u>5,607</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Accrued Interest on Bonds

Water Utility Operating Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ 14,991
Increased by:	
Budget Appropriation	
Interest on Bonds	29,309
	<hr/> 44,300
Decreased by:	
Interest on Bonds Paid	31,015
	<hr/> 13,285
Balance, December 31, 2012	<u><u>\$ 13,285</u></u>

<u>Principal</u> <u>Outstanding</u> <u>Dec. 31, 2012</u>	<u>Interest</u> <u>Rate</u>	<u>From</u>	<u>To</u>	<u>Required</u> <u>Amount</u>	<u>Actual</u> <u>Amount</u>
198,219	Various	8/1/12	12/31/12	8,117	8,117
567,000	4.375%	10/15/12	12/31/12	5,168	5,168
					<hr/> 5,168
					<u><u>\$ 13,285</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Improvement Authorizations

Water Utility Capital Fund

Year ended December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	<u>Ordinance</u>		<u>Balance, Dec. 31, 2011</u>		<u>Balance, Dec. 31, 2012</u>	
		<u>Date</u>	<u>Amount</u>	<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>Unfunded</u>
	General improvements:						
91-1	Reconditioning of water storage tank	Sept. 26, 1991	162,457 \$	46,894		46,894	
96-8	Rehabilitation of water mains	May 29, 1996	165,000	8,502		8,502	
96-14	Acquisition of backhoe	Oct. 14, 1996	38,000	474		474	
00-09	Water System Improvements	Nov. 1, 2000	1,350,000	619,343		619,343	
04-16	Water System Improvements	Aug. 4, 2005	1,400,000		178,649		178,649
				<u>\$ 675,213</u>	<u>178,649</u>	<u>675,213</u>	<u>178,649</u>

Exhibit D-16

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Capital Improvement Fund

Water Utility Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>37,179</u>
Balance, December 31, 2012	\$ <u><u>37,179</u></u>

Exhibit D-17

Schedule of Down Payments on Improvements

Water Utility Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>1,500</u>
Balance, December 31, 2012	\$ <u><u>1,500</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Amortization

Water Utility Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011		\$ 2,204,572
Increased by:		
Bond Payments	\$ 130,000	
Infrastructure Trust Payments	<u>29,662</u>	
		<u>159,662</u>
Balance, December 31, 2012		<u><u>\$ 2,364,234</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Reserve for Reserve for Payment of Debt

Water Utility Capital Fund

Year ended December 31, 2012

Balance, December 31, 2011	\$ <u>225,463</u>
Balance, December 31, 2012	\$ <u><u>225,463</u></u>
<u>Analysis of Balance</u>	
Grants Received - Hazardous Discharge Site Cleanup	<u>225,463</u>
	\$ <u><u>225,463</u></u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Water Utility Serial Bonds

Water Utility Capital Fund

Year ended December 31, 2012

<u>Purpose</u>	<u>Date of issue</u>	<u>Original issue</u>	<u>Maturities of bonds outstanding, December 31, 2012</u>		<u>Interest rate</u>	<u>Balance, Dec. 31, 2011</u>	<u>Decreased</u>	<u>Balance, Dec. 31, 2012</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds	Oct. 15, 2001	1,507,000	Oct. 15, 2013	\$ 135,000	4.375	697,000	130,000	567,000
			Oct. 15, 2014	140,000				
			Oct. 15, 2015	145,000				
			Oct. 15, 2016	147,000				
						<u>\$ 697,000</u>	<u>130,000</u>	<u>567,000</u>

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Environmental Infrastructure Trust Fund Loans Payable

Water Utility Capital Fund

Year ended December 31, 2012

Purpose	Date of issue	Original issue	Maturities of Bonds Outstanding, December 31, 2012			Balance, Dec. 31, 2011	Decreased	Balance, Dec. 31, 2012
			Date	Amount	Rate			
Water System Improvements	Oct. 14, 2004	\$ 580,000	Aug. 1, 2013	25,000	5.000%	\$ 445,000	25,000	420,000
			Aug. 1, 2014	30,000	4.000%			
			Aug. 1, 2015	30,000	4.000%			
			Aug. 1, 2016	30,000	4.000%			
			Aug. 1, 2017	30,000	5.000%			
			Aug. 1, 2018	35,000	5.000%			
			Aug. 1, 2019	35,000	5.000%			
			Aug. 1, 2020	35,000	5.000%			
			Aug. 1, 2021	40,000	5.000%			
			Aug. 1, 2022	40,000	5.000%			
			Aug. 1, 2023	45,000	4.250%			
			Aug. 1, 2024	45,000	4.375%			
			Water System Improvements	Nov. 4, 2004	590,374			
Aug. 1, 2013	22,533							
Feb. 1, 2014	5,913							
Aug. 1, 2014	25,371							
Feb. 1, 2015	5,523							
Aug. 1, 2015	24,982							
Feb. 1, 2016	5,134							
Aug. 1, 2016	24,593							
Feb. 1, 2017	4,745							
Aug. 1, 2017	24,203							
Feb. 1, 2018	4,259							
Aug. 1, 2018	26,960							
Feb. 1, 2019	3,691							
Aug. 1, 2019	13,994							
						\$ 672,881	54,662	618,219
						Budget Appropriation	29,662	
						Paid via Project Fund Credits	25,000	
						\$	<u>54,662</u>	

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Bonds and Notes Authorized But Not Issued

Water Utility Capital Fund

December 31, 2012

<u>Ordinance number</u>	<u>Improvement description</u>	Balance, Dec. 31, <u>2011</u>	Balance, Dec. 31, <u>2012</u>
04-16	Water System Improvements	\$ 229,626	229,626
99-8	Phase I, Extension to Water System	<u>1,900</u>	<u>1,900</u>
		<u>\$ 231,526</u>	<u>231,526</u>

BOROUGH OF WOODLAND PARK

PART II

**LETTER ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS**

COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2012

Ferraioli, Wielkotz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkotz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Honorable Mayor and
Members of the Borough Council
Borough of Woodland Park
County of Passaic, New Jersey

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey; and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements-regulatory basis of the Borough of Woodland Park in the County of Passaic as of and for the year ended December 31, 2012 and the related notes to the financial statements, and have issued our report thereon dated July 12, 2013, which was adverse due to being presented in accordance with New Jersey regulatory basis of accounting. The regulatory basis opinion was qualified for the Length of Service Awards Program not being audited.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements-regulatory basis, we considered the Borough of Woodland Park's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements-regulatory basis, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Woodland Park's internal control. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodland Park's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Honorable Mayor and
Members of the Borough Council
Page 2.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

We did identify certain immaterial deficiencies in internal control that we have reported to management of the Borough of Woodland Park in the accompany comments and recommendations section of this report.

Compliance and Other Matters

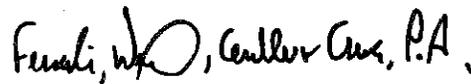
As part of obtaining reasonable assurance about whether the Borough of Woodland Park's financial statements-regulatory basis are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted certain immaterial instances of noncompliance that we have reported to the management of the Borough of Woodland Park in the accompanying comments and recommendations section of this report.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Woodland Park's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Borough of Woodland Park's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.


Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413


FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

July 12, 2013



Ferraioli, Wielkottz, Cerullo & Cuva, P.A.

Charles J. Ferraioli, Jr., MBA, CPA, RMA
Steven D. Wielkottz, CPA, RMA
James J. Cerullo, CPA, RMA
Paul J. Cuva, CPA, RMA
Thomas M. Ferry, CPA, RMA

Certified Public Accountants
401 Wanaque Avenue
Pompton Lakes, New Jersey 07442
973-835-7900
Fax 973-835-6631

Newton Office
100B Main Street
Newton, N.J. 07860
973-579-3212
Fax 973-579-7128

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY OMB CIRCULAR A-133 AND N.J. OMB CIRCULAR 04-04

Honorable Mayor and
Members of the Borough Council
Borough of Woodland Park
County of Passaic, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Borough of Woodland Park in the County of Morris compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012. The Borough of Woodland Park's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Borough of Woodland Park's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, "*Audits of States, Local Governments, and Non-Profit Organizations*"; and the provisions of the New Jersey State Treasury Circular Letter 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments."



Honorable Mayor and
Members of the Borough Council
Page 2.

Those standards and OMB Circular A-133 and N.J. OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal and state program occurred. An audit includes examining, on a test basis, evidence about the Borough of Woodland Park's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the Borough of Woodland Park's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Borough of Woodland Park complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of the Borough of Woodland Park is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Borough of Woodland Park's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal and state program to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance with OMB Circular A-133 and N.J. OMB Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Woodland Park's internal control over compliance.

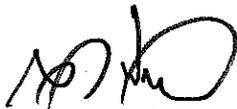
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal and state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal and state program will not

Honorable Mayor and
Members of the Borough Council
Page 3.

be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal and state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and N.J. OMB Circular 04-04. Accordingly, this report is not suitable for any other purpose.



Steven D. Wielkotz, C.P.A.
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

July 12, 2013



BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of State Awards

Year ended December 31, 2012

State Funding Department	State program	Grant number	Grant period	Grant award	Balance Dec. 31, 2011	Grant Receipts	Grant expenditures	Adjustment	Balance Dec. 31, 2012	MEMO Cumulative Expenditures
<i>Federal and State Grant Fund:</i>										
Department of Law and Public Safety	Alcohol Education and Rehabilitation Program	9735-760-098-Y900-001-X100-6020	2003	906	\$ 245				245	661
	Alcohol Education and Rehabilitation Program	9735-760-098-Y900-001-X100-6020	2004	312	126				126	186
	Alcohol Education and Rehabilitation Program	9735-760-001-12	2012	324		324			324	
	Body Armor	1020-718-001-066	2008	2,528	(2,452)				(2,452)	2,528
	Body Armor	1020-718-001-066	2010	2,471	907		907			2,471
	Body Armor	1020-718-066-1020	2011	2,630	2,630		2,511			2,511
	Body Armor	1020-718-001-13	2012	2,777		2,777				2,777
	Safe and Secure	P-4678	2006	60,000	2,431				2,431	57,569
	Safe and Secure	P-4678	2010	60,000	3,869		3,869			60,000
	Safe and Secure	P-4678	2010	30,000	30,000		30,000			30,000
	Safe and Secure	P5278-11	2011	49,601		49,601	44,126		5,475	44,126
	Safe and Secure	P5578-12	2012	60,000		30,000			30,000	
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2008	1,080	312		312			1,080
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2009	700	700		443	4	261	439
	Drunk Driving Enforcement Grant	4320-100-046-4750-241	2010	282	282				282	
	Drunk Driving Enforcement Grant	6400-100-078-6400	2011	1,181	1,181				1,181	
	Drunk Driving Enforcement Grant	6400-100-078-6400	2012	1,387		1,387			1,387	
					40,231	84,089	82,168	4	42,156	201,571
New Jersey Department of Community Affairs	Special Purpose Grant - Roof Repairs		2005	50,000	50,000				50,000	
Department of Environmental Protection	Stormwater Management		2008	2,552	2,552				2,552	
	Clean Communities Grant	4900-765-178910-60	2007	11,806	1,698		1,698			11,806
	Clean Communities Grant	4900-765-178910-60	2010	16,499	2,753		2,753			16,499
	Clean Communities Grant	4900-765-042-4900-004	2011	16,283	9,623		5,971		3,652	5,971
	Clean Communities Grant	4900-765-042-4900-004	2012	16,022		16,022	5,464		10,558	5,464
	Historic Trust-Morris Canal		2007	37,500	(1,600)				(1,600)	37,500
	Statewide Livable Communities		2004	5,000	126				126	4,874
	Recycling Tonnage Grant	4900-752-178810-60	2005	6,995	4,085				4,085	6,995
	Recycling Tonnage Grant	4900-752-178810-60	2006	8,253	8,253				8,253	
	Recycling Tonnage Grant	4900-752-178810-60	2007	5,452	979		831		148	4,194
	Recycling Tonnage Grant	4900-752-178810-60	2008	9,188	7,456				7,456	1,732
	Recycling Tonnage Grant	4900-752-178810-60	2009	11,932	11,932				11,932	
	Recycling Tonnage Grant	4900-752-042-4900-001	2008	13,918	13,918				13,918	
	Recycling Tonnage Grant	4900-752-042-4900-001	2009	13,975	13,975				13,975	
	Recycling Tonnage Grant	4900-752-042-4900-001	2012	18,336		18,336			18,336	
					75,750	34,358	16,717		93,391	95,035
<i>Total Federal and State Grant Fund</i>					165,981	118,447	98,885	4	185,547	296,606

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of State Awards

Year ended December 31, 2012

State Funding Department	State program	Grant number	Grant period	Grant award	Balance Dec. 31, 2011	Grant Receipts	Grant expenditures	Adjustment	Balance Dec. 31, 2012	MEMO Cumulative Expenditures	
<i>Federal and State Grant Fund:</i>											
<i>Trust Funds:</i>											
Passaic County Pass Through Grants	Municipal Alliance		2011	25,163		16,385		(16,385)		25,163	
			2012	25,163		15,490	19,421		(3,931)	19,421	
<i>Total Trust Funds</i>						31,875	19,421	(16,385)	(3,931)	44,584	
<i>General Capital Fund:</i>											
Department of Transportation	Williams Drive (Phase I and II)	Ordinance 04-5		6320-480-608383-60	2004	250,000			(7,175)	250,000	
	Lackawana Ave./Memorial Drive Curbs and Sidewalks	Ordinance 04-5		6300-480-078-6300-CK3-TCAP	2004	120,000			(4,014)	120,000	
<i>Total General Capital Fund</i>									(11,189)	370,000	
<i>Total State Financial Assistance</i>						\$ 154,792	150,322	118,306	(16,381)	170,427	711,190
<i>Other Financial Assistance</i>											
Passaic County Open Space	Dowling Park Improvements - 2004		2004	325,000		(27)			(27)	325,000	
	Dowling Park Improvements - 2008		2008	250,000		(3,022)	6,022	690	2,310	204,905	
	Zaccaria Park Improvements-2010		2010	260,000		(12,835)	13,035		200	259,800	
	Morris Canal Improvements-2007		2007	100,000		(4,780)	50,039	1,563	43,696	81,132	
	Morris Canal Improvements-2008		2008	200,000		(73,840)	26,902	60,221	(107,159)	175,172	
	Zacarrria Park Improvements - 2011		2011	175,000		(89,071)	81,788	(6,131)	(951)	89,701	
	Dowling Park Fountain		2012	100,000							
<i>Total Other Financial Assistance</i>						(183,575)	177,786	56,343	201	(61,931)	1,135,710
<i>Total State and Other Financial Assistance</i>						\$ (28,783)	328,108	174,649	(16,180)	108,496	1,846,900

Note: This schedule was not subject to an audit in accordance with N.J. OMB 04-04.

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2012

Federal Grantor	Federal program	CFDA #	Grant year	Grant award amount	Balance Dec. 31, 2011	Receipts	Expended	Adjustment	Balance Dec. 31, 2012	Memo Cumulative Expenditures			
<i>Federal and State Grant Fund:</i>													
U.S. Department of Justice:													
	Bulletproof Vest Partnership Program	16.607	2010	3,891	\$ 141				141	3,750			
	School Policing	16.710	2003-05	125,000	21,062				21,062	103,938			
	School Policing	16.710	2006	32,000	19,628				19,628	12,372			
	COPS MORE	16.710	2003	75,000	(21,470)				(21,470)	73,200			
	Universal COPS	16.710	2001-04	60,000	(16,750)				(16,750)	43,250			
					2,611				2,611	236,510			
Department of Housing and Urban Development:	Morris Canal Bike Path	14.218	2009	147,000	3,202		3,202			147,000			
U.S. Department of Transportation:													
National Highway Traffic Safety Administration (1)													
	Over the Limit Under Arrest	20.601	2009	5,133	(4,371)				(4,371)	4,371			
	Over the Limit Under Arrest	20.601	2010	4,371	4,371				4,371				
	Drive Sober or Get Pulled Over	20.601	2012	4,366		4,366	4,366			4,366			
Federal Highway Administration	Newby Street	20.205	2009	281,000	(7,656)				(7,656)	213,865			
	Mt. Pleasant Ave Resurfacing - Phase II	20.205	2010	255,000	(129,925)		35,940		(165,865)	133,705			
					(137,581)	4,366	40,306		(173,321)	356,307			
U.S. Department of Homeland Security:													
State Homeland Security Program													
	Assistance to Firefighters Grant	97.073	2010	58,707	(3)				(3)	58,707			
<i>Total Federal and State Grant Fund</i>									(131,771)	4,366	43,508	(170,913)	798,524
<i>Current Fund:</i>													
Disaster Grants - Public Assistance - (Presidentially Declared Disasters) (1)													
	Hurricane Irene - DR 4021	97.036	8/26/2011	7,803		7,803	7,803			7,803			
	Hurricane Irene - DR 4021	97.036	8/26/2011	234,494		234,494	234,494			234,494			
	Severe Snowstorm - DR 4048	97.036	10/29/2011	30,249		30,249	30,249			30,249			
<i>Total Current Fund</i>										272,546	272,546		
<i>General Capital Fund:</i>													
U.S. Department of Homeland Security													
Disaster Grants - Public Assistance - (Presidentially Declared Disasters) (1)													
	Hurricane Irene - DR 4021	97.036	8/26/2011	133,467		133,467	133,467			133,467			
U.S. Department of Transportation:													
Federal Highway Administration													
	Resurfacing of Overmount Ave., Ord. 9-2012	20.205	2012	250,000			202,112		(202,112)	202,112			
U.S. Department of Housing and Urban Development													
Community Development Block Grant (Pass Through Funds)													
County of Passaic													
	Imps. to Woodrow Avenue - Ord. 9-2012	14.218	2008	183,581			183,581		(183,581)	183,581			
<i>Total General Capital Fund</i>										133,467	519,160	(385,693)	519,160

BOROUGH OF WOODLAND PARK, N.J.

Schedule of Expenditures of Federal Awards

Year ended December 31, 2012

Federal Grantor	Federal program	CFDA #	Grant year	Grant award amount	Balance Dec. 31, 2011	Receipts	Expended	Adjustment	Balance Dec. 31, 2012	Memo Cumulative Expenditures
<i>Water Utility Operating Fund:</i>										
Disaster Grants - Public Assistance - (Presidentially Declared Disasters) (1)	Severe Snowstorm - DR 4048	97.036	10/29/2011	4,861		4,861	4,861			4,861
<i>Total Water Utility Operating Fund</i>						4,861	4,861			4,861
<i>Community Development Trust Fund:</i>										
U.S. Department of Housing and Urban Development Community Development Block Grant (Pass Through Funds) County of Passaic	Rockland Avenue Street Improvements	14.218	2010	242,000	(22,764)	191,941	168,536	(641)		191,941
<i>Total Community Development Trust Fund</i>					(22,764)	191,941	168,536	(641)		191,941
<i>Total Federal Financial Assistance</i>					\$ (154,535)	607,181	1,008,611	(641)	(556,606)	1,787,032

(1) Passed through the State of New Jersey

Note: This schedule was subject to an audit in accordance with OMB circular A-133

**BOROUGH OF WOODLAND PARK
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012**

NOTE 1. GENERAL

The accompanying schedules of expenditures of awards present the activity of all federal and state financial assistance programs of the Borough of Woodland Park, County of Passaic. The Borough is defined in Note 1A to the Borough's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies is included on the schedule of expenditures of awards.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards are presented using the modified accrual basis of accounting as prescribed for counties by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from generally accepted accounting principles (GAAP) applicable to local government units. This basis of accounting is described in Note 1(B) to the Borough's financial statements.

NOTE 3. RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance awards are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
Current Fund:				
Miscellaneous Revenue not Anticipated	\$264,743	\$	\$	264,743
Budgeted Revenue	7,803			7,803
Appropriated Grant Reserves	<u>43,508</u>	<u>98,885</u>	<u>56,343</u>	<u>198,736</u>
Total Current Fund	316,054	98,885	56,343	471,282
Community Development Grant Fund	168,536			168,536
Municipal Drug and Alcohol Alliance Trust Fund		19,421		19,421
General Capital Fund	519,160			519,160
Water Utility Fund	<u>4,861</u>			<u>4,861</u>
	<u>\$1,008,611</u>	<u>\$118,306</u>	<u>\$56,343</u>	<u>\$1,183,260</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree, in all material respect, with the amounts reported in the related federal and state financial reports.

**BOROUGH OF WOODLAND PARK
NOTES TO THE SCHEDULES OF EXPENDITURES
OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

NOTE 5. ADJUSTMENTS

Amounts reported in the accompanying schedules were adjusted to report the financial assistance awards as described in Note 2 Basis of Accounting.

NOTE 6. FEDERAL AND STATE LOANS OUTSTANDING

The Borough's federal and state loans outstanding at December 31, 2012, which are not required to be reported on the schedule of expenditures of federal and state awards, are as follows:

<u>Loan Program</u>	<u>Total</u>
State of New Jersey Environmental Infrastructure Trust Loan Program - Capital Fund	\$1,177,089
State of New Jersey Environmental Infrastructure Trust Loan Program - Utility Capital Fund	<u>618,219</u>
	<u>\$1,795,308</u>

**BOROUGH OF WOODLAND PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Adverse - USGAAP
qualified - OCBOA

Internal control over financial reporting:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Noncompliance material to financial statements noted? _____ yes X no

Federal Awards Section

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? _____ yes X no

Type of auditors' report on compliance for major programs: unqualified

Internal Control over compliance:

1. Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X none reported

2. Material weakness(es) identified? _____ yes X no

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? _____ yes X no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
20.205	Department of Transportation - Federal Highway Administration, Highway Planning and Construction
14.218	U.S. Department of Housing and Urban Development, Community Development Block Grant

**BOROUGH OF WOODLAND PARK
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(continued)**

Section II - Schedule of Financial Statement Findings

None

Section III - Federal Awards and State Financial Assistance Findings and Questioned Costs

None

STATUS OF PRIOR YEAR FINDINGS

None

BOROUGH OF WOODLAND PARK

GENERAL COMMENTS

Contracts and Agreements

N.J.S.A. 40A:11-3 states:

- a. When the cost or price of any contract awarded by the contracting agent in the aggregate does not exceed in a contract year the total sum of \$17,500, the contract may be awarded by a purchasing agent when so authorized by ordinance or resolution, as appropriate to the contracting unit, of the governing body of the contracting unit without public advertising for bids, except that the governing body of any contracting unit may adopt an ordinance or resolution to set a lower threshold for the receipt of public bids or the solicitation of competitive quotations. If the purchasing agent is qualified pursuant to subsection b. of section 9 of P.L. 1971, c.198 (C.40A:11-9), the governing body of the contracting unit may establish that the bid threshold may be up to 25,000. Such authorization may be granted for each contract or by a general delegation of the power to negotiate and award such contracts pursuant to this section.
- b. Any contract made pursuant to this section may be awarded for a period of 24 consecutive months, except that contracts for professional services pursuant to subparagraph (I) of paragraph (a) of subsection (1) of section 5 of P.L. 1971, c.198 (C.40A:11-5) may be awarded for a period not exceeding 12 consecutive months. The Division of Local Government Services shall adopt and promulgate rules and regulations concerning the methods of accounting for all contracts that do not coincide with the contracting unit's fiscal year.
- c. The Governor, in consultation with the Department of the Treasury, shall no later than March 1 of every fifth year beginning in the fifth year after the year in which P.L. 1999, c.440 takes effect, adjust the threshold amount and the higher threshold amount which the governing body is permitted to establish, as set forth in subsection a. of this section, or the threshold amount resulting from any adjustment under this subsection, in direct proportion to the rise or fall of the index rate as that term is defined in section 2 of P.L. 1971, c.198(C.40A:11-2), and shall round the adjustment to the nearest \$1,000. The Governor shall, no later than June 1 of every fifth year, notify each governing body of the adjustment. The adjustment shall become effective on July 1 of the year in which it is made.

N.J.S.A. 40A:11-4 states:

- a. Every contract awarded by the contracting agent for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the governing body of the contracting unit to the lowest responsible bidder after public advertising for bids and bidding therefor, except as is provided otherwise in this act of specifically by any other law. The governing body of a contracting unit may, by resolution approved by a majority of the governing body and subject to subsections b. and c. of this section, disqualify a bidder who would otherwise be determined to be the lowest responsible bidder, if the governing body finds that it has had prior negative experience with the bidder.

BOROUGH OF WOODLAND PARK
GENERAL COMMENTS, CONTINUED

Effective July 1, 2010, the bid threshold, in accordance with N.J.S.A. 40A:11-3 and 40A:11-4 (as amended) is \$26,000 and with a qualified purchasing agent the threshold may be up to \$36,000. On May 7, 2009, the Borough increased the bid threshold to \$36,000 as allowed by law for having a qualified purchasing agent.

Effective January 1, 2011, P.L., 2009, c.166 eliminated the previous lower non-qualified purchasing agent threshold of \$26,000. Thus a contracting unit without a qualified purchasing agent now has a maximum bid threshold of \$17,500.

The governing body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid threshold within the fiscal year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that bids were requested by public advertising for the following items:

Replacement of Roofs at Boys and Girls Club
Municipal Building Generator
Resurfacing of Overmount Avenue

Resurfacing of Woodrow Avenue and Borrego Drive
Stand-by Emergency Generator

Resolutions were adopted authorizing the awarding of contracts and agreements for "Professional Services" N.J.S. 40A:11-5.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any material or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear cut violation existed. No violations were disclosed.

Our examination of expenditures did not reveal any individual payments, contracts or agreements in excess of the statutory threshold "for the performance of any work or the furnishing or hiring of any materials or supplies," other than those where bids had been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of N.J.S. 40A:11-6.

BOROUGH OF WOODLAND PARK
GENERAL COMMENTS, CONTINUED

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the nonpayment of taxes or assessments on or before the date when they would become delinquent.

The governing body, on January 4, 2012, adopted the following amended resolution authorizing interest to be charged on delinquent taxes:

“NOW THEREFORE BE IT RESOLVED by the Mayor and Council of the Borough of Woodland Park, that taxes due to the Borough shall be payable February 1st, May 1st, August 1st, and November 1st each year, after which dates, if unpaid, shall become delinquent and from and after the respective dates herein before provided for taxes to become delinquent, the tax payer or property assessed shall be subject to interest at 8% per annum on the first \$1,500 and 18% thereafter and a 6% additional penalty for a delinquency over \$10,000 if not paid by the end of the calendar year. Delinquent water bills over \$100 shall be subject to interest at 1% per month thirty days after the due date.

ALSO, BE IT RESOLVED, that in the event said taxes shall be paid within ten days from the due date the interest shall be waived except in the office of the Tax Collector is closed on the tenth day of February, May, August or November then the grace period shall be extended to include the first business day thereafter; and,

BE IT FURTHER RESOLVED that the interest rates so stated will revert back to the due date of any installment of taxes or assessments received after the expiration of the ten-day grace period or as otherwise provided in the Resolution.”

It appears from an examination of the Collector's records that interest was collected in accordance with the foregoing resolution.

BOROUGH OF WOODLAND PARK
GENERAL COMMENTS, CONTINUED

Delinquent Taxes and Tax Title Liens

A tax sale was held on October 26, 2012, and was complete.

Inspection of the sale certificates on file revealed that all tax sale certificates were available for audit.

The following comparison is made of the number of tax title liens receivable on December 31 of the last three years:

<u>Year</u>	Number of <u>liens</u>
2012	0
2011	0
2010	0

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax-paying basis.

BOROUGH OF WOODLAND PARK

GENERAL COMMENTS

Finance/Treasurer

1. A dedication by rider has not been approved for the following trust fund:
 - a. Community Development Block Grant Trust
2. An additional Municipal Alliance Trust Fund was opened without the approval of Mayor and Council:
3. Municipal Alliance expenditures were made through the use of a debit card issued on the account opened without approval.
4. Certificates of availability of funds are not prepared and certified for professional service contracts.
5. There are various old reconciling items being carried in the payroll account.
6. The payroll account has an unallocated excess reconciled cash balance of \$10,467.
7. There is a prior year balance of \$825 owed to the State for marriage license fees.
8. A separate trust fund for reserve for snow removal should be opened.

Clerk/Administration

1. A review of various professional service contracts and award procedures revealed that the evaluation process used to evaluate the proposals was not documented.

Departments

Municipal Court:

1. *Reconciled cash bail per the bank account does not agree to the Bail on Account per ATS/ACS.

BOROUGH OF WOODLAND PARK

RECOMMENDATIONS

Finance/Treasurer

1. The Borough contact the State of New Jersey and follow up in regard to approval for the dedication by rider for a Community Development Trust Fund.
2. The Municipal Alliance Trust Fund be closed and all transactions be recorded as part of the budget.
3. The use of debit cards be discontinued and all purchases be initiated through the creation of a requisition and purchase order in accordance with Borough purchasing policies and procedures.
4. Certifications ensuring availability of funds be prepared and approved for all professional service contracts as required by N.J.A.C. 5:30-5.4.
5. The various old reconciling items being carried in the payroll account be investigated and cancelled, if necessary, via governing body resolution.
6. The unallocated payroll account balance be investigated for proper allocation.
7. The prior year State marriage license fees be remitted to the State without delay.
8. A separate trust fund be opened as requested by the State and reserve for snow removal funds be transferred to the trust.

Clerk/Administration

1. Documentation to support the evaluation process utilized in the awarding of professional service contracts be retained for auditor review to ensure compliance with N.J.S.A. 19:44A-20.4

Departments

Municipal Court:

1. *That Bail on Account be reconciled to the Bail Account cash on a monthly basis.

BOROUGH OF WOODLAND PARK

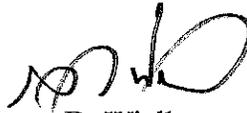
STATUS OF PRIOR YEAR AUDIT FINDINGS/RECOMMENDATIONS

A review was performed on all prior year recommendations and corrective action was taken on all except for the Findings/Recommendations marked with an "*".

ACKNOWLEDGMENT

We received the complete cooperation of all of the officials of the municipality and we greatly appreciate the courtesies extended to all members of the audit team.

Respectfully submitted,



Steven D. Wielkocz
Registered Municipal Accountant
No. CR00413



FERRAIOLI, WIELKOTZ, CERULLO & CUVA, P.A.
Certified Public Accountants

July 12, 2013